ELEMENTS

OF

BOOK-KEEPING:

IN A SERIES OF

SHORT EXAMPLES,

For the Use of Schools.

Authorized by the Council of Public Instruction for Upper Canada.

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PREFACE.

THIS elementary treatise makes no pretensions to the invention of any new or improved system of Book-keeping. Its object is, to begin with the simplest operations of the art, and gradually to prepare the pupil for those that are more complex. It does not pretend to teach (children at least) without a master, but merely to assist masters in teaching. As it is intended to be put into the hands of the pupil, it does not contain complete Journals or Ledgers, which might be copied by him, but merely examples, with directions for Journalising and Posting the Ledger:—but a Key is prepared to accompany it, for the assistance of the teacher. The teacher is supposed to be able to direct the pupil in regard to the mere form in which the different books are to be kept, and which could not easily or perfectly be conveyed by description. This little work is not intended to supersede the use of more complex and elaborate systems, to those to whom they may be necessary; but rather to prepare the way for them. At the same time, it is hoped, that any pupil who is made thoroughly to understand the examples here given, will have little difficulty in making himself master of the mode of recording the most varied and complex transactions.

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ELEMENTS
BOOK-KEEPING.

First Set.

CASH ACCOUNT.

As keeping an account of money received and paid, furnishes the simplest example of Book-keeping, we commence with a Cash Account.

Let us suppose a person engaged in money transactions, of receiving and paying, which are written down as they occur; it is obvious that, if he wish to know what money he ought to have on hand, he must pick out all the sums received. and add them together, and also all the sums paid; and then, by subtracting the one from the other, he will be able to tell what money he should have on hand (if any); and afterwards, by comparing the sums thus indicated in his book, with what he actually has in his desk or elsewhere, he can tell whether he has kept his accounts correcily.

Now, in order to be able to do this at any time, without the delay of separating the sums received from those paid, the method adopted in Book-keeping is, to have a Cash Account, either in a book by itself, or in a book among other accounts. For this purpose, take the two opposite pages of a book, (which two pages taken

together are then called a folio;) rule each with money columns towards the right hand, and a column for the date on the left hand. Then write on the top of the left-hand page, in a text hand, CASH, DR., and on the right-hand page, CONTRA, CR.: the former is then called the DR. or debtor side, the latter the CR. or credit side.* All sums on hand or received, are entered on the DR. side; and all sums paid, on the CR. side; because the word *Cash*, at the top of the page, is put for the person himself to whom the books belong, in so far as cash is concerned; and, in Book-keeping, every one is considered Dr. for what he receives, and Cr. by what he gives out.

DIRECTIONS.

The first thing that the pupil should do is, to copy out, in a fair legible hand, the transactions stated from page 8 to 11, into a book ruled with money columns towards the right, and a column for the date towards the left; and either with or without a head-line. This book is called sometimes the Waste Book, because the entries in it have been regarded as superseded and rendered no longer necessary, by being transferred to the Journal, (a book afterwards to be described) and it is sometimes called the Day Book, because the transactions are entered in it every day, as they occur, without technicality of form.

Let him then open an account for Cash, as above directed; and having done so, let him go over, *seriatim*,

* Sometimes one broad page is made to hold both the DR. and CR. side. Arranging accounts in the manner described above on two opposite pages, the one for whatever comes in, called the DR. side, the other for what goes out, called the CR. side, is what is meant by keeping books by Debtor and Creditor.

the transactions which he has copied into his Waste Book, carefully observing in each whether the cash was received or paid out, entering as he proceeds whatever was received, on the Dr. or left-hand side, and what was paid out, on the Cr. or right-hand side, in this form :—

Cash.			*Dr.*				*Contra.*			*Cr.*		
1833 March		To Bal. on hand	80	0	0	1833 March	1	By John Jones..	75	3	4
		—Sales.....	17	12	9		2	—Expenses.....	1	17	0
		—W. Thompson	41	0	0		3	—Balance.....	61	12	5
		£	138	12	9			£	138	12	9

Having thus entered all the different sums on the respective sides, let the pupil then add up, first, the one side and then the other: let him then subtract the smaller sum from the larger, and at the bottom of the smaller side let him enter the difference, by which they will be made equal. This is called balancing an account ;—that is, bringing both sides to an equality, like a pair of balances equally poised : and the sum necessary to bring them to an equality is called the balance, and entered To, or By Balance, according as it is required, on the Dr. or Cr. side of the account. Thus in the above example, the Dr. side was first added up, making £138 : 12 : 9 ; then the Cr. side was added up, and was found to be £77 : 0 : 4 ; this being subtracted from £138 : 12 : 9, leaves £61 : 12 : 5, which is added to the Cr. side, with the words By Balance, before it, and thus makes both sides equal. £61 : 12 : 5, therefore, is the money on hand, and ought to correspond to the money actually in the possession of the person whose transactions are recorded.

WASTE BOOK.

THE transactions in this set are to be regarded merely as the items or transactions of a Cash Account; and all that the pupil is expected to do, is to distinguish Cash received from Cash given out, that he may enter the former on the Dr. side of the Cash Account, and the latter on the Cr. side.

Dublin, 1st March, 1831.

	£	s.	d.
I have on hand at this date, Cash - -	80	0	0
This is the Balance on hand from the former time of balancing the Cash, and must be entered on the Dr. side of the Cash Account, with the date and words, To Balance on hand, before it.			
——————1——————			
Paid John Cumming, for Books, as per invoice - - - - - - - - - -	76	3	4
This is money paid, and therefore must be entered on Cr. side, By John Cumming, for Books.			
——————1——————			
Sales this day - - - - - - - - -	17	2	9
Sales are what I sell, and, therefore the money is received, and goes to the Dr. side, To Sales.			
——————2——————			
House Expenses for last week - - -	1	17	0
House Expenses imply money going out, and, therefore, this sum goes to the Cr. side, By House Expenses.			

Dublin, 2nd March, 1831.

	£	s	d.
Received from William Thompson, for an Encyclop dia, sold him - - -	41	10	0
2			
Paid Houston and Co., for 100 copies Euclid's Elements - - - - - -	25	0	0
2			
Received for Sales this day - - - -	11	5	8
3			
Paid House Rent, one half year, ending 25th December last - - - -	25	0	0
3			
Paid Taxes, Grand Jury Cess, for Michaelmas Term - - - - - -		9	0
3			
Received from John Hunter, Rent of Stable, one half year, to 25th of December - - - - - - - - -	9	10	0
3			
Received for Sales this day - - - -	12	7	0
3			
Paid Thomas Mason his account for Painting House - - - - - - -	5	9	8
4			
Paid John Cumming, for Books, as per invoice - - - - - - - - - -	27	5	0

Dublin, 4th March, 1831.

	£	s.	d.
Paid Thomas White his account for Printing Catechism - - - - - -	9	15	0
4			
Received for Sales this day - - - -	23	17	0
5			
Received Legacy from the Executors of the late Mrs. Mary Campbell, deducting duty and other expenses - - - - - - - - - - -	93	4	8
5			
Paid wages to Shopman, due the 28th ult. - - - - - - - - - - -	7	10	0
5			
Paid Paterson for Coals, 2 tons - - -	2	5	0
5			
Paid William Wilson his account for Book-binding - - - - - - - -	9	17	0
5			
Received for this Day's Sales - - -	19	14	9
7			
Remitted Waddell and Co., on account of Books purchased - - - - -	35		

To remit, is to send money to a distance. This, therefore, is Cash going out, and goes to the Cr. side of the Cash Account.

Dublin, 7th March, 1831.

	£	s.	d.
Received from Samuel Ely, for Books furnished to Ross library - - - -	4	15	0
7			
Paid Hanney his account for repairs of Shop and House - - - - - - -	13	5	0
7			
Received from Hanney, for old Shop Furnishings, including Glass-case - - - - - - - - - - -	4	0	0
7			
Received for sales this day - - - -	11	2	0

The pupil should be made to do this exercise upon a separate piece of paper, properly ruled, before he enter it in his book; and he should not be permitted to leave it till he fully understands it. The teacher should also dictate to him other transactions, and require him to post them, that he may acquire readiness in placing Cash going out, and Cash coming in, to the proper sides of the Cash account.

QUESTIONS ON THE FIRST SET.

What is meant by Cash? Why is this book begun with a Cash Account? If you wrote down in a book, the money you received and the money you gave out, in the order in which the transactions occurred, what would you need to do that you might ascertain whether your accounts were correct or not? What

plan is adopted to avoid this tedious operation? In what kind of book would you require to keep your Cash Account? What is a folio, in the language of Book-keeping? What would you write on the top of the left-hand page of your folio? What on the right? Suppose you receive a sum of money, on which side would you place it? Why? What does the word *Cash* stand for? What is the difference of Dr. and Cr.? What is the first thing that the pupil ought to do? What is this book called? In what order do you enter your transactions in this book? After having written out the Waste Book, what is to be done? What is to be carefully observed? On what side do you enter *Sales*, *House Expenses*? When the sums are all entered, what is to be done? When is the balance entered *To*, and when *By*? Why, in the example given here, is the Balance added to the Creditor side? What is meant by remitting money?

Second Set.

CASH AND PERSONAL ACCOUNTS.

If I have transactions in money with other persons, such as paying and receiving, borrowing and lending, &c., it is necessary, not only to keep an account of my Cash, that I may know at any time what I have received, what given out, and how much I have on hand; but also to keep an account with each of the persons with whom I have dealings; that I may know whether I owe any thing to them, and how much, whether they owe any thing to me, and how much, or whether our accounts be clear.

In order to effect this purpose, I first open a Cash Account, as directed in the First Set, which is to be my own account, the word 'Cash,' at the top, standing as before, for myself, in regard to Cash.

I then open an account for each of the persons with whom I have dealings, that is, I write each of their names upon a folio of the Ledger, putting Dr. (debtor) on the left-hand page, and Cr. (creditor) on the right-hand.

When I receive money from any of these persons, I put down on the Dr. or left-hand side of the Cash Account, 'To' that person, adding the sum in the money column, because I am considered debtor to the person for what he gives me. I then turn to that person's account, and upon the Cr. or right-hand side, I write 'By Cash,' adding the same sum, because that person paid it out, and, therefore, he is Cr. for it. The same sum, therefore, will appear on the Dr. side of the Cash, that is, of my account; and on the Cr. side of

his account; intimating that, apart from all other dealings, I am his debtor, and he is my creditor, for that sum. But if I pay him money, I turn to the Dr. or left-hand side of his account, and write 'To Cash,' adding the sum, because he received it, and, therefore, is debtor for it; and then I turn to the Cr. or right-hand side of the Cash, that is, my own account, and write, 'By' that person, adding the sum: so that this sum will appear on the Cr. side of my account, and on the Dr. side of his; intimating that I am his creditor, and that he is my debtor, for that sum. This system of entering all transactions twice, namely, on the Dr. side of one account, and on the Cr. side of another, is called Book-keeping by *double entry*. It proceeds upon the obvious principle, that every debtor must have a creditor, and every creditor a debtor; and it keeps an account both for the debtor and the creditor in every transaction. Whatever, therefore, is entered on the Dr. side of one account, is entered on the Cr. side of another, and *vice versa*.

Having gone over all the items of the following Waste Book in this way, I add up all the items on the Dr. sides of all the accounts into one sum; and also all the items on the Cr. sides into another, to ascertain whether they be equal, as they ought to be if they have been posted correctly. This is called a Trial Balance. Having found, or made them correct, I then balance the Cash Account as before, which will show me how much money I have on hand. In the same way, I balance the accounts kept with different persons; which will show me how much I owe to any of them, or how much any of them owes to me.

WASTE BOOK.

The transactions in this set also, are mere Cash transactions, i.e., giving out and receiving money; but they are Cash transactions on credit, and therefore accounts with those persons who give or receive credit are necessary.

Dublin, January 1st, 1832.

	£	s.	d.
I have on hand balance of former account - - - - - -	50	10	9
This Cash on hand must be put, as before, on the Dr. Side of the Cash Account; but for a reason to be afterwards explained, the words, 'To Stock,' and not 'To Balance,' must be written before it.			
1			
Borrowed of William Reid - - -	20	0	0
1			
This money came in, therefore it must go to the Dr. side of my Account, i.e., the Cash Account; but it went out from Wm. Reid, and therefore it must be entered on the Cr. side of his Account.			
Paid James Thompson - - - -	53	6	4
This money being paid, goes to the Cr. side of my Cash Account, but to the Dr. side of James Thompson's Account, because he received it.			
2			
Recived from John Robertson - -	20	0	0
3			
Received from James Thompson - -	69	3	6

Dublin, January 4th, 1832.

	£	s.	d.
Paid Wm. Reid money borrowed -	20	0	0
5			
Lent John Robertson - - - - -	35	0	0
5			
Paid William Reid - - - - -	27	2	6
6			
Lent William Reid - - - - -	10	0	0
8			
Received from John Robertson - -	25	0	0
8			
Paid James Thompson - - -	37	5	6
9			
Received from John Tod, for James Thompson - - - - -	7	16	0
Here the Cash comes in; it is therefore entered on the Dr. side of the Cash Account, 'To James Thompson;' and as it came on Account of James Thompson, on the Cr. side of his Account; and no Account is necessary for John Tod.			
10			
Advanced for John Robertson - -	15	13	0
Here I paid Cash for John Robertson; the sum therefore goes to the Cr. side of the Cash Account, 'By John Robertson,' but to the Dr. side of his Account, because the Cash was paid for him.			

Dublin, January 11th. 1832.

	£	s.	d.
John Robertson paid me the balance of his Account - - - - -	5	13	0
12			
Received from James Thompson - -	50	0	0

DIRECTIONS.

When these items are posted and balanced, it will be found that I have a balance of Cash on hand, of £49 : 15 : 11; that William Reid owes me £37 : 2 : 6, that I owe James Thompson £36 : 7 : 8, and that my account with John Robertson is clear.

If I wish to know whether I am a gainer or loser on the whole, so far as these receipts and payments are concerned, it is obvious that I must add the Cash that I have on hand to that which William Reid owes me, and then subtract that which I owe to James Thompson, by which it will appear that I am now possessed of £50 : 10 : 9, precisely the same sum that I had on hand on commencing the transactions.

Now, the manner in which this result will be shown in a Ledger, is as follows:—If I intend at the time of opening these accounts, thus to balance and close all the accounts, I must begin with opening an account in the Ledger for Stock, writing on the top, Dr. Stock, Contra, Cr.; and on the Cr. or right-hand side, I must enter the cash that I had on hand at the commencement, namely, £50 : 10 : 9, writing before it the date, January 1, and 'By Cash.'* This stands without addition

* The master may here make the pupil open a Stock Account, as directed, informing him that this is, in practice, done at the commencement, but was postponed till he should be able to understand the use of it.

or alteration till the accounts are to be closed. Having balanced the different accounts as directed above, I open another account for Balance, and on the left or Dr. side of that account, I enter those balances that appear on the Cr. or right-hand page, namely, the Balance of the Cash and of William Reid's account; and on the right or Cr. side I enter those balances that appear on the Dr. or left hand page, namely, in this case, that of James Thompson. I then balance this Balance Account, i. e. add up the two sides separately, and subtract the least from the greatest, and add the difference, which will be found, in this case, to be £50 : 10 : 9, to the smallest side, to make it equal with the other, writing before it, 'By Stock for my net estate.' I then turn to the Stock Account and write on the Dr. side, 'To Balance for my net estate;' and as this is precisely equal to the Cash entered on the other side when I began, it shows that I have neither lost nor gained, having precisely the same value of property. There is one difference however in my affairs, namely, that when I began I had £50 : 10 : 9 in Cash, whereas I have, in closing, only £49 : 15 : 11; but the difference between what William Reid owes me, and what I owe James Thompson, makes up the deficiency of Cash, namely, £0 : 14 : 10. Instead, therefore, of having £50 : 10 : 9 in Cash, I have in Cash, £40 : 15 11, together with £0 : 14 : 10 owing to me more than I owe, which amounts to the same sum.

EXAMPLE OF THE BALANCE ACCOUNT.

Balance.			*Dr.*			*Contra.*			*Cr.*		
1832 Jany.	13	To Cash - -	49	15	11	1832 Jany.	13	By J. Thompson — Stock for my net estate.	36	7	8
		— William Reid	37	2	6				50	10	9
		£	86	18	5			£	86	18	5

The master will make the pupil complete the balance as here exemplified.

QUESTIONS ON THE SECOND SET.

When you have transactions in money with other persons, what is necessary besides keeping a Cash Account? Why is this necessary? How would you manage this? Would you write the names of the persons with whom you have dealings on both sides of the Ledger? On which side would you put Cr.? If you received money, in which account would you enter it, and on which side? After you have entered it in the Cash Account, where would you enter it next? On which side? Why? Where will the sum now appear in your books? What would you understand by the position of this sum in your books, considering it apart from all other transactions you may have with the same person? Suppose now, that instead of receiving, you pay money to the same person, how would you enter it in your books? When you thus enter every transaction twice, what is this mode of Book-keeping called? Upon what obvious principle does it proceed? If you enter in the Cr. side of one account, on which side do you enter the same sum in the other account? When you have gone over the Waste Book in this way, what are you to do? When you borrow money, on which side of your account would you enter it? What do you mean by *posting?* When you have posted all the accounts, what is your next operation? What does the trial Balance ascertain? Why should the sums of all the debts and of all the credits be equal? If you wish to know whether you are a gainer or a loser, what would you do? When you open an account for stock in the Ledger, on which side would you enter the cash that you have on hand? When you have balanced the different accounts, what next? When this Balance Account is finished, what are you to do with it? When, in adding up the two sides, you find one greater than the other, what are you to do with the difference?

Third Set.

CASH AND ANOTHER REAL ACCOUNT.

Accounts of any kind of property, as Cash, Goods of any kind, Ships, Houses, Shares in Companies, &c., are called *real* accounts, i. e., accounts of things which belong to me.

One object of Book-keeping is, to keep a record of my property, how it is vested, whether in money, or goods, or lands; and, as in the course of mercantile transactions, it is continually varying, it is necessary to keep an exact account of these variations. Another object is, to ascertain whether I be losing or gaining by my transactions, and how much I may have gained or lost during any given time; and also, by what particular transactions the gains were made, or the losses sustained. Now these objects are effected by keeping the real accounts, which are, as has been explained, accounts of my property, of whatever kind it may be.

The following transactions are intended to show how a person's Stock may pass from one kind of property to another, how an account is kept of it, and how it is ascertained that profit has been made, or loss sustained. They suppose that I deal in but one article, viz — Wine, and that by the pipe; and that I buy and sell for Cash; so that my Stock is always either in Cash or in pipes of Wine. For, by always purchasing and selling for Cash, I owe nobody anything; nor does any one owe me anything; so that I require to keep no accounts with any other person. I have, therefore, no personal accounts.

WASTE BOOK.

Dublin, January 1st, 1832.

		£	s.	d.
I have on hand Cash,	£400 5 0			
Wine, 50 pipes, at £70 per pipe,	3500 0 0			
		3900	5	0
February 1st				
Sold to Williamson and Co. for Cash 6 pipes Wine, at £75 - - -		450	0	0
10				
Sold to James Allen and Co. for Cash, 10 pipes Wine, at £75 10s.		755	0	0
March 12th				
Bought of William Adams, for Cash 17 pipes, at £73 5s. - - -		1245	5	0
30				
Sold to Michael Sullivan and Co. for Cash, 50 pipes, at £75 - -		3750	0	0
April 2nd				
Bought for Cash, from Joseph Staunton, 37 pipes, at £75 - - -		2775	0	0
15				
Sold for Cash, to James Allen and Co. 3 pipes, at £81 7s. - - -		244	1	0

Dublin, May 5, 1832.

	£	s.	d.
Sold for Cash, to Charles Thompson, 1 pipe, at £82 - - - - -	82	0	0
26			
Sold to Anderson and Co. for Cash, 5 pipes which had sustained injury, at £64 - - - - - -	320	0	0
June 16th			
Bought of Wm. Adams, for Cash, 18 pipes, at £65 - £1170 5 do. " 71 - 355	1525	0	0
18			
Sold to Thomas Brett, for Cash, 2 pipes, at £73 - - -	146	0	0
30			
Sold to M. Sullivan and Co. for Cash, 10 pipes, at £69 - - £690 7 do. " 75 - - 525	1215	0	0
July 1st			
Took Stock, and found on hand, Cash - - - £1817 1 Wine, 20 pipes, at £70 1400 0 13 do. £73 5s. 952 5	4169	6	0

To arrange these transactions in a Ledger, so as to effect the purposes of Book-keeping with regard to

them, three accounts must be opened, one for Stock, a second for Cash, and a third for wine. On the Cr. side of the Stock account is stated the amount of Cash, and the value of the wine on hand; and the account remains in that state till the accounts are to be balanced; that is to say, till I wish to know whether I have gained or lost by the transaction, and to what amount either of loss or gain. All the transactions, therefore are entered in the other two accounts. And here the general rule is to be observed, that whatever kind of property comes in, is to be entered on the Dr. side of its own account, and whatever kind goes out, is to be entered on the Cr. side of its own account, from this it will follow that whatever is entered on the Dr. side of one account will be entered on the Cr. side of the other, and *vice versa*; because, as often as Cash comes in, Wine goes out, and as often as Wine comes in, Cash goes out. To assist the pupil in posting his Ledger, let him previously write an exercise upon these transactions on a loose slip of paper, the object of which would be to distinguish in each transaction which of the accounts is Dr. and which Cr. This will prepare him for understanding the nature and uses of a Journal, a book of which nothing has yet been said. The exercise is to be in the following form, omitting, of course, the directions printed in small type.

Dublin, January 1st, 1832.

		£	s.	d
Sundries Dr. to Stock.				
Cash - - - -	£400 5 0			
Wine, 50 pipes - -	3500 0 0			
		3900	5	0

Dublin, February 1st, 1832.

	£	s.	d
Cash Dr. to Wine.			
Sold to Williamson and Co. 6 pipes, at £75 - - - - - - - -	450	0	0
The Cash came in, and wine went out, therefore Cash is Dr.			
10			
Cash Dr. to Wine.			
Sold to James Allen and Co. 10 pipes, at £75 10s. - - - - - - -	755	0	0
Here also Cash came in, and Wine went out, so that Cash Dr.			
March 12th			
Wine Dr. to Cash.			
Bought of William Adams, 17 pipes, at £73 5s. - - - - - - -	1245	0	0
Here the Wine came in, and Cash went out, therefore, Wine is Dr.			

The last of the entries in the Waste Book, namely, the taking of Stock, and finding how much Cash and Wine remain on hand, is to be written in the exercise thus:—

Balance Dr.				
To Cash	-	£1817 1 0		
To Wine	-	2352 5 0		
			4169	0

DIRECTIONS.

Having finished all the entries in this form, on a loose slip of paper, let the Pupil copy them, in the same form and order, into a book ruled like the Waste Book, and which is called the Journal.

Having written the Journal, he then opens his three accounts in the Ledger; one for Stock, a second for Cash, and a third for Wine. Instead of posting the Ledger from the Waste Book, as in the former Sets, let him now post from the Journal. In the first entry Sundries are Dr. to Stock. The word Sundries always means, in Book-keeping, not sundry or several articles, but sundry or several accounts. Here it stands for the two accounts mentioned immediately afterwards, Cash and Wine. These accounts are Drs. Let him therefore turn to the Cash account, and enter the Cash on hand on the Dr. side, writing before it, 'To Stock.' Also to the Wine account, and on the Dr. side write 'To Stock,' prefixing the date, and adding the number of pipes in the proper column, and the amount in the money column. Let him then turn to the Stock account, Cr. side, and after writing the date as before, write 'By Sundries,' adding the whole sum, £3,870.

Let him then proceed to the other entries in the Journal, and wherever he finds one account made Dr. to another, let him turn to the Dr. side of that account which is made Dr., and write 'To ——,' mentioning the other account; and then let him turn to the Cr. side of that other account, and write 'By ——,' mentioning the first account. Thus, when he finds such an entry as 'Cash Dr. to Wine, £450,' he turns to the Dr. side

of the Cash account, and after the date, writes 'To Wine, £450;' he then turns to the Wine account, and on the Cr. side he writes, after the date, 'By Cash £450,' also inserting in an inner column the quantity of Wine mentioned in the entry. The wine account will appear as in the note below,* and the Cash account as in the former Set.

Having posted all the entries but the last, which states the amount of Stock on hand, let the pupil make his trial Balance as in the former Set.

This being found correct, he must proceed to balance the accounts. He first Balances the Cash account, as in Sets I. and II. The Wine account is differently balanced. The balance of that account consists in the quantity of Wine remaining on hand. This he will find by balancing the inner columns, in which the quantity bought and sold is stated. Add up the number of pipes on each side, and on a slate or separate bit of paper subtract the one sum from the other; and if there be a difference, enter it at the bottom of the side on which is the smallest quantity, which must be the Cr. side; for no more could be sent out than came in—and write before it, 'By Balance on hand.'

* *Wine.* *Dr.* *Contra.* *Cr.*

1832			pi	£	s.	d.	1832				£	s.	d.
Jan.	1	To Stock - -	50	3500	0	0	Jan.	1	By Cash -	6	450	0	0
		—Cash - -	17	1255	5	0		10	—do. -	10	755	0	0
		—Profit&Loss†		279	15	0		30	—do. -	50	3750	0	0
			67						—Balance -	1	70	0	0
										67			
			£	5025	0	0				£	5025		

‡ The words 'Profit and Loss,' which are the titles of an account, will be explained after.

A value must then be affixed to the quantity on hand, which, in real business, is the true value of the article in question, without the addition of any profit. Compute, then, the value of the whole Wine on hand, and enter the sum in the money column.

Add up, then, the money columns on the Dr. and Cr. side, on a slate or loose slip of paper, subtract the least from the greatest, and enter the difference on the side that is least. This difference, however, is not the balance of the account ;*i. e.* it is neither what property I have in it, nor what I owe upon it, but it is the sum that I have lost or gained by the transactions recorded. On the Dr. side has been entered the value of all that I had when I began, and of all that came in afterwards; on the Cr. side has been entered the value of all that went out, and of all that remains on hand. The difference, therefore, must be my loss or gain. I enter the difference then on the smallest side, prefixing, not 'To or By *Balance*,' but 'To or By *Profit and Loss*.' If the Dr. side was the smaller side, I enter upon it, 'To Profit and Loss;' if the Cr. side, upon it, 'By Profit and Loss.'

This entry requires the opening of a new account, namely, Profit and Loss, the use of which is to keep an account of my gains or losses; and having entered on the Dr. side of the Wine account, 'To Profit and Loss for my net gain,' I turn to the Cr. side of the Profit and Loss account, and enter 'by Wine for my net gain,' entering the amount in the money column.

Add up now the two sides of the Wine account which will be found equal, and which closes that account.

In order to close the Set, open an account for Balance, and enter upon it the Balances of the Cash and Wine

accounts. As the Balances are entered on the Cr. sides of these accounts, they must be entered on the Dr. side of the Balance account, 'To Cash,' and 'To Wine.'

Then close the Profit and Loss account. This is done, as in the other cases, by adding up both sides separately, and subtracting the one from the other. But in this set nothing is entered on the Dr. side; we must, therefore, enter the whole of what is on the Cr. side, on the Dr, side. As this is gain, or an addition to my original Stock, I enter it 'To Stock for net gain.' I then turn to the Stock account, and on the Cr. side, I write 'By Profit and Loss,' entering the same sum.

Proceed now to close the Balance account, by adding up both sides of it, subtracting the one from the other, and entering the difference upon the smallest side. This difference would be all that I possess, after deducting from it all that I owe, and, therefore, is called my net estate. In this set I have no debts due to me or by me; nothing, therefore, is on the Cr. side of this account; but I add up the Dr. side, and enter the whole on the Cr. side, writing 'By Stock for my net estate;' I then turn to the Stock account, and on the Dr. side enter, 'To Balance for my net estate;' and if the two sides of the Stock account be now equal, the books have been kept correctly; not otherwise. The reason of this is, that the Dr. side of the Stock account now contains all that I possess, after deducting from it whatever I owe, and also whatever I may have lost. The Cr. side contains all that I had when I commenced, with the addition of whatever I gained since. These statements, therefore, are both of them statements of my actual property, and if correct must be alike.

QUESTIONS ON THE THIRD SET.

What are *Real* accounts? What two objects are effected by keeping real accounts? What are the transactions in this Set intended to show? Why is it not necessary to keep personal accounts in the following transactions? After the Waste Book has been copied out, how many accounts must be opened in the Ledger, and for what? What general rule is to be observed? What book do you post from into the Ledger? How would you enter the number of pipes of wine? In posting from the Journal, what would you do when you find one account made Dr. to another? What is the trial Balance? What is to be done when the trial Balance is found to be correct? What value do you give to Stock on hand? On which side do you enter Profit and Loss? How would you close the Set? What is your Net estate?

Fourth Set.

CASH ACCOUNT, WITH A GENERAL GOODS ACCOUNT.

In those trades in which goods are sold in small quantities, it is impossible to keep an account of every article sold, so as to be able to balance the different kinds of goods, by the quantity received and given out, as appearing on an inner column of the account of them. The description of goods also, in which trades are conducted, may be so numerous, that to attempt to trace every article by entries in the books, would require an expense in clerkship far beyond what the profits would afford; and create a complexity of books which would rather bewilder the accounts than fulfil the proper objects of Book-keeping.

In such cases it is usual to keep a general account of goods, or to divide them under different heads, and to enter only the *value* of goods received and given out, disregarding the *kinds* and *quantities*. The only variation that this occasions, is, that the balance of the goods on hand must be obtained by actual examination of the quantity of every kind in the shop or warehouse, and by an estimation of the value of every article. This operation is called *taking Stock*, and must be performed as often as the trader wishes to know the state of his affairs. In the following transactions nothing is bought or sold on credit, but all are cash transactions. The accounts, therefore, that are necessary, are merely a

Cash account and a Goods account, with those fictitious accounts, such as Stock, Profit and Loss, and Balance, which are necessary for balancing and closing the books.

Write out the transactions in Set IV. of the Waste Book, as directed in the former Sets.

Proceed then to journalize them in the Journal. The first entry in the Day Book, which states what you have on hand, enter in the Journal, thus—

Sundries Dr. to Stock.					
Cash - - -	£319 18 4				
Goods - - -	2017 17 4				
		2337	15	8	2

Or more simply—

Stock Cr.					
By Cash - - -	£319 18 4				
By Goods - -	2017 17 4				
		8337	15		

Then proceed to the other entries in their order, taking care to make what comes in always Dr. to what goes out in the following form:—

Dublin, January 1st, 1832.

	£	s.	d
Dr. Goods.			
To Cash paid Waddell and Co. - -	167	19	3
1			
Dr. Goods.			
To Cash paid Thomas White, for printing 500 copies Murray's Grammar -	45	7	0
1			
Dr. Cash.			
To Goods. Amount of this day's Sale	27	6	2

WASTE BOOK.

Dublin, January 1st, 1832.

	£	s.	d.
INVENTORY OF MY EFFECTS. 'I have in ready money - £319 18 4 Goods - - - 2017 17 4	2337	15	8
1			
Paid Waddell and Co. for Goods - Here Goods are Dr. to Cash, because Goods came in, and Cash went out.	107	19	3
1			
Paid Thomas White for printing 500 copies Murray's Grammar - -	45	7	0
1			
Sales this day - - - - - Here Cash came in, and Goods went out; therefore Cash is Dr. to Goods.	27	6	2
2			
Paid John Cumming for Books, per invoice - - - - -	15	19	0
2			
Paid Wm. Wilson for Binding - -	13	19	8
2			
Sales this day - - - -	131	17	0
4			
Received for 50 copies Murray's Grammar, at 3s. - - - -	7	10	0

Dublin, January 4th, 1832.

	£	s.	d.
Paid Curry and Co. their account, for Books - - - - - -	19	3	0
5			
Bought from M'Donnel and Co. Printing Paper, per invoice, and paid Cash - - - - -	27	15	7
4			
Sold 25 copies Murray's Grammar, for cash, at 3s. - - - - -	3	15	0
4			
Sales this day - - - - -	17	15	9
5			
Remitted Wesley and Co. on account of Books - - - - -	45	3	0
5			
Received from Wm. M'Combe, Belfast, for Goods sold him - -	87	0	0
5			
Sales this day - - - - -	63	19	2
6			
Took Stock, and found Cash on hand - - £383 14 11 Goods do. - - 1987 18 6	2371	13	8

DIRECTIONS.

Having thus gone over all the entries in the Day Book, and posted them in the Journal, take your Ledger, and open three accounts—one of Stock, a second of Cash, and a third of Goods, as formerly.

Proceed now to post into the Ledger from the Journal, according to the directions given in Set III.

Having finished this operation, you are prepared to balance the books; that is, to ascertain whether you have gained or lost by the transaction. Before balancing each account, make a trial Balance, as directed in Set III.

Having found this correct, turn now to the Cash account, and balance it as in all the former Sets.

The Goods acount is balanced differently. You must first insert on the Cr. side of that account, the value of goods on hand. In real business, this, as has been said, is ascertained by what is called taking Stock, in which operation the person in business examines all the goods that he has on hand, and enters them, valued at the price which they cost him, or rather the price they would bring in the wholesale market. The goods on hand constitute the balance of the Goods account, and are entered at the bottom of that account, on the Cr. side, 'By Balance for Goods on hand.'

Add up now, as in the Wine Account of the Third Set, the two sides, and the Cr. side being greater, put the difference on the other side, writing before it, 'To Profit and Loss.' Then open an account for Profit and Loss, and on the Cr. side write 'By Goods,' adding the sum in the money column.

We are now prepared to close the books. For this purpose open, as in Set III., an account for Balance, and enter it in the Balance of the Cash and Goods Account. The Balance of these accounts appearing on the Cr. side, you put them on the Dr. side of the Balance Account, writing, 'To Cash,' and 'To Goods,' adding the sums in which these accounts are credited by Balance.

The first account to be closed in the Profit and Loss, as in Set III.

You next close the Balance Account, as also directed in Set III., carrying the difference of the two sides to the Stock Account, as there directed. And if the Dr. and Cr. side of the Stock Account be thus made equal, the books have been correctly kept.

QUESTIONS ON THE FOURTH SET.

When goods are sold in small quantities, would you keep a separate account for each article sold? How would you manage? How then would you find the Balance of goods on hand? What is this operation called? How often must it be performed? Since, in the following transactions, there is nothing bought or sold on credit, what are the only accounts necessary? What are you to do after having written the Waste Book? When you have posted the Journal, what next? What accounts would you open in your Ledger? How would you balance the Goods Account? At what price would you value the goods on hand? When, upon adding up, you find a difference in the two sides, what do you do with that difference? In what other account do you enter this? How do you close the Books? How do you know when they have been correcly kept.

Fifth Set.

EXAMPLES OF PERSONAL ACCOUNTS IN ADDITION TO REAL ACCOUNTS.

When goods are bought or sold on credit, it becomes necessary, as was explained under Set II., to keep an account of our dealings with every person with whom we transact business on credit, that we may know what they owe to us, or what we owe to them. The accounts which we keep with other persons are called Personal Accounts, and the rule for keeping them is, that every transaction in which they receive anything from us, or that brings them into our debt, or that takes us out of their debt, is placed on the Dr. side of their account; and that every transaction in which we receive anything from them, or that brings us into their debt, or relieves them from being in our debt, is placed on the Cr. side of their account.

We have, therefore, found three kinds of accounts used in Book-keeping, namely—I., My own accounts, called also Real Accounts, which contain accounts of my property divided into as many particulars as I find necessary. These are not headed with my name, but with the names of the property, an account of which is to be kept;—as Cash, Goods, any particular kind of Goods, Houses, Ships, &c., in all of which accounts the kind of property with which the account is headed signifies myself, in regard to such property. II., Accounts of other persons with me, called sometimes

Personal Accounts, described above; and III., Accounts of gains or losses, such as Profit and Loss, Discount, Rent Charges, &c., all receipts or expenses for which no direct return is given or received. To these is to be added the Stock and Balance Accounts. These are used merely to show at one view the state of my affairs at some particular time. The Stock Account commences with a statement of what I possess, on entering into business, and after every balance of my books. The Balance Account shows, on examing the state of my affairs, on the one side, all that I possess, and all that is due to me; on the other side, all that is due by me to others. These two accounts, therefore, are used merely in commencing or closing a set of books, no entry being made in them between one balance and another.

The chief of the accounts called fictitious, more properly accounts of gain or loss, is the Profit and Loss Account itself, the others being only subdivisions of it, and being concentrated into it, in balancing the books.

DIRECTIONS.

Proceed, as in the former cases, to copy the following transactions in the Day Book.

In posting the Journal, remember that the transactions are upon credit, except when the contrary is specified; as when it is said, Bought *for Cash*, or Sold *for Cash;* in these cases you journalize as in Set III., making Cash Dr. when it comes in, and Cr, when it goes out. But when sales are made to persons mentioned, and it is not said that they paid Cash, make that person Dr. to the Goods sold to him; and when you

purchase goods of any person, and it is not mentioned that you paid Cash for them, make yourself, that is your account of goods, Dr. to that person. When Cash is received, while no property is given for it, as gifts or legacies, make Cash Dr. to Profit and Loss. The Cash came in, therefore it is Dr.; and as it is clear gain, it is made Dr. to the Profit and Loss Account, which contains the accounts of gains and losses. When Cash goes out without any return of property that can be added to Stock, as in paying wages, rent, losing money, &c., then Cash is Cr. by Profit and Loss. The Cash went out, therefore it is Cr.; and, as nothing was received for it, Profit and Loss is its Dr. In manufacturing establishments, the wages of workmen are paid for the addition made to the value of the raw material manufactured, and, therefore, ought to be put to the *debit* of the goods on which they are expended.

Having finished the Journal, open accounts as before, for Stock, for Cash, and for Goods, and also for every person who is made Dr. or Cr. in the Journal. You then go over every entry in the Journal in order, as in the former Sets, posting them into their proper accounts in the Ledger, every item being posted to the Dr. side of one account, and the Cr. side of another.

Having made a trial balance as in the former Sets, proceed to balance the Cash and Goods Accounts as before, the balance of the Goods Account being the quantity of Goods on hand, taken by inventory. Then balance each of the personal accounts, adding up the two sides of each, and putting the difference, as before, on the smallest side, saying, 'To Balance, if it be added to the Dr. side, and 'By Balance,' if to the Cr. side.

Add up the two sides of the Goods Account, after the balance of Goods on hand has been added to the Cr. side, and put the difference to the smallest side, saying, 'To Profit and Loss,' if it be added to the Dr. side, and 'By Profit and Loss,' if it be to the Cr. side.

Open then a Balance Account, and enter all the balances of the different accounts as before. If the balance of any account stand on the Dr. side, enter it on the Cr. side of the Balance Account, saying, 'By ———, (the account from which it is taken,) and *vice versa*.

Balance the Profit and Loss Account, placing the difference of the two sides to the Dr. or Cr. of Stock, and post it in the Stock Account. Then balance the Balance Account, placing the difference of that account also to Stock; and if the two sides of the Stock Account are equal, when the balance of these two accounts is posted, the books are correct.

ON TRACING TRANSACTIONS FROM ONE BOOK TO ANOTHER.

It is often necessary to find how a transaction recorded in the Waste Book has been entered in the Journal, or how it has been posted in the Ledger: or, on the contrary, to trace back some entry in the Ledger, to the original record of it in the Waste Book. This is effected by the number of the page, or folio of the book into which any entry is made, being entered upon the book from which it is taken; and also the number of the page of the book from which an entry is posted, being entered into the book into which it is posted. It is not necessary thus to connect the Waste Book and

Journal, because the order of the dates being followed in both books, the date will be a sufficient guide from one to the other. But as this order is not followed in the Ledger, it is necessary to connect the entries in the Journal. When, then, an entry is made from the Journal to the Ledger, as above described, it is usual to note on the margin of the Journal the two or more folios into which the transaction has been posted, and to mark in a colum, ruled in the Ledger folio. Entries can be traced from the Ledger to the Journal by the date. Thus:

IN THE JOURNAL.

	6				
2	Dr. Cash to Tobacco - - - - -	20	0	0
17	The figures in the margin, $\frac{2}{17}$ imply that the Cash Account is in folio 2 of the Ledger, and the Tobacco Account is in folio 17.			

IN THE LEDGER.

2 2

Dr.		*Cash.*					*Contra,*					*Cr.*
Jan.	6	To Tobacco	17	20	0	0						

17 17

Dr.		*Tobacco.*					*Contra,*					*Cr.*
							Jan.	6	By Cash. -	2	20	0	0

The number 17 in the column immediately beside the money columns in the Cash Account, signifies that the Tobacco Account will be found at folio 17; and the No. 2, in the corresponding column of the Tobacco Account, signifies that the Cash Accouut is in folio 2.

WASTE BOOK.

Dublin Janurry 1st, 1832.

	£	s.	d.
I have on hand, Cash - - £254 18 10 Goods - - 1217 2 3	1472	1	1
1			
Received from John Black and Co. Goods, as per invoice - - -	117	19	5
1			
Received for Cash Sales this day -	13	4	2
2			
Paid James White on account - -	20	0	0
2			
Received the late Mr. Gordon's Legacy, deducting duty - - This sum having been received without any return, it is Journalized—Cash Dr. to Profit and Loss.	18	10	0
2			
Received for Cash Sales this day -	13	14	9
3			
Received from James White, Edition of Euclid's Elements, per invoice -	75	3	4
3			
Received for Cash Sales this day -	11	2	7

4

Dublin, January 4th, 1352.

	£	s.	d.
Sold A. Macarthur, 1 Euclid - - £0 7 6 1 Walker's Dictionary 0 10 6 6 Spelling Books at 9*d.* 0 4 6 50 Reading Books at 2*s.* 5 0 0	6	2	6
4			
Paid James White on account -	40	0	0
4			
Paid Clerk's Salary, one half year, ending this day - - - - Nothing being received for Clerk's Salaries, that can be added to the Account of Stock, and the Cash going out, Profit and Loss is Dr. to Cash.	37	10	0
4			
Received for this day's Shop Sales -	5	2	3
5			
Remitted John Black and Co. on account - - - - - -	100	0	0
5			
Received from James White, Spelling Books, per invoice - - -	2	16	0
5			
Received for Shop Sales this day -	15	7	6
6			
Received from John Black and Co. Goods, per invoice - - -	53	8	0

Dublin, January 6th, 1832.

	£	s.	d.
Sold A. Macarthur, 24 Scripture Geography, at 6d. - £0 12 0 100 Maculloch's Reading, at 3s. - - 15 0 0 20 Dictionaries, 2s. 6d. 2 10 0	18	2	0
6			
Paid James White, on account -	17	19	4
6			
Paid half year's rent of Warehouse - Rents are on the same footing with Salaries, and, therefore, Profit and Loss is Dr. Cash for them.	50	0	0
6			
Bought a House in Chapel Street, and received for my Bargain - - This £20 being clear gain, and the Cash being received, Cash is Dr. to Profit and Loss.	20	0	0
6			
Received amount of this day's Cash Sales - - - - - -	7	18	2
8			
Received from A. Macarthur, on account - - - - - -	20	0	0
8			
Sold A. Macurthur, 10 Thompson's Arithmetic, at 3s. - - £1 10 0 12 Thompson's Geography, at 2s. - 1 4 0	2	14	0

Dublin, January 8th, 1832.

	£	s.	d.
Remitted John Black and Co. on account - - - - - -	60	0	0
8			
Received amount of this day's Cash Sales - - - - -	9	19	7
9			
Lost a Bank Note, value - -	10	0	0
Nothing being received for this £10, and the Cash, going out, Profit and Loss is Dr. to Cash			
9			
Took Stock, and found in my possession,			
Cash - - - £54 8 6			
Goods - - - 1398 15 7			
Debts due to me - 6 18 6			
Debts due by me 11 7 5			7

QUESTIONS ON THE FIFTH SET.

What does the Fifth Set contain? What is the rule for keeping Porsonal Accounts? How many kinds of accounts have we found used in Book-keeping? What is the first? The Second? The third? What two accounts are used merely at the commencement and close of a Set of Books? What are Fictitious Accounts? What do you understand by *bought for caso*? What, if the word Cash is omitted? How would you enter Cash when it comes in, without property going out? How would you enter Wages, Rent, Lost Money, &c.? How would you enter Wages, Rent, Lost Money, &c.? How would you enter wages in a manufacturing establishment? What is to be done when the Journal is finished?

Sixth Set.

EXAMPLES OF MY ACCOUNTS.

i. e. REAL ACCOUNTS, SUBDIVIDED INTO VARIOUS KINDS OF GOODS; ALSO, OF TRANSACTIONS BY BILLS, WITH DISCOUNT, INTEREST, &c.

Copy the Day Book given below, as before.

In Journalizing, Credit Stock for all the articles in the inventory, and Debit it for all debts due, either in Bills Payable or otherwise.

Every description of Goods that comes in is Dr.; and every description of Goods going out is made Cr. In both cases the quantity must be specified.

Bills Receivable are Bills for which I am to receive payment, or which are payable to me. Bills Payable are Bills which I am to pay.

When I receive a Bill Receivable from any person, in payment of Goods bought by him, Bills Receivable are Dr. to Goods, because the Goods went out, and the Bill came in. When I give my own acceptance or note for Goods, then Goods are Dr. to Bills Payable; if the Bill was that of another person, previously entered to the *debit* of Bills Receivable, then Goods are Dr. to Bills Receivable.

If the Bill was received from a person with whom I have an account towards that account, then Bills Receivable Dr. to that person; or if a Bill Receivable be paid to a person with whom I have credit, that person is Dr. to Bills Receivable. If I pay my own note, or give an acceptance to such a person, he is Dr. to Bills Payable.

When a Bill is purchased for Cash to be remitted, it is usual not to enter the Bill in the Ledger account of Bills Receivable, but simply to make the person to whom it is remitted Dr. to Cash.

When one person's acceptance is paid to another person, with both of whom I have accounts, it is usual, instead of passing the Bill through the account of Bills Receivable, to make the person to whom the Bill was paid Dr. to the acceptor of the Bill.

When I get Bills in my possession discounted, *i. e.*, when I receive Cash for them before they be due, the interest or discount being deducted, Bills Receivable are Cr. by the Cash received, and by the discount; because the Bills went out and Cash came in for the amount of the Bills, after deducting discount.

When I discount a Bill, *i. e.*, when I pay the Cash for it before it be due, receiving the interest or discount, Bills Receivable are Dr. to Cash, and to Discount, both together making the amount of the Bill, because the Bills came in and the Cash went out.

When a person pays an account, partly in Cash, partly in Bills, and discount is deducted from his account, he is Cr. by Cash, by Bills Receivable, and by Discount.

All Charges, such as rent, wages, interest of money borrowed, may either be placed to the *debit* of the Profit and Loss Account, by posting them "Profit and Loss Dr. to Cash," or a separate account of them may be kept, and only the balance transferred to the Profit and Loss Account, when the books are to be balanced.

WASTE BOOK.

Dublin, January 1st, 1832.

INVENTORY OF PROPERTY.			£	s.	d.
Goods on hand—					
Alum - 7 3 0	at 14 0 per cwt.	5 8 6			
Copperas 23 0 0	— 5 9 per cwt.	6 12 3			
Tobacco 12 1 13	— 6 0 per lb.	415 10 0			
Sugar - 12 3 0	— 45 0 per cwt.	28 13 9			
Opium - 0 0 7½	— 12 3 per lb.	44 14 3			
Galls - 0 0 14½	— 2 6 per lb.	18 5 0			
Clover Seed 12 2 0	— 80 0 per cwt.	50 0 0			
Corkwood 8 ton 5 cwt. at £26 per ton		214 10 0			
Barrel staves 26 M. at £12 3s. per M.		315 18 0			
Bottles - 8½ gross, at 27s. per gr.		11 9 6			
Wines 8 pipes Port, at £72 per pipe		576 0 0			
4 — — £80 per pipe		320 0 0			
36 dozen — 48s. per doz.		86 8 0			
73 — — 45s. per doz.		164 5 0			
109 — Cape, 21s. per doz.		114 9 0			
3 pipes Teneriffe, £48 per pipe		144 0 0			
4 — Lisbon, at £58 per pipe		232 0 0			
5 butts Sherry £63 per butt		315 0 0			
			3063	3	3
Debts due to me—					
Castellaine & Co. -		42 5 0			
Cearns, Cary, & Co. -		72 10 4			
			114	15	4
Bills receivable—					
Josh. Wilson's acpt. due 23rd -		35 0 0			
E. and J. Kelley's, due 15th Feb.		56 8 0			
John Harding's, 4th March -		17 17 1			
Stephen Delacour, 17th March		50 0 0			
			159	5	0
Carried forward,			3337	3	7

Dublin, January 1st, 1832.

	£	s.	d.
Brought forward,	3337	3	7
Cash on hand - - - - - -	137	10	0
Warehouse and Stores, valued at - -	1200	0	0
	4674	13	7

The above inventory of my property must be posted in the Ledger, in the Cr. side of the Stock account, and in the Dr. side of each of the separate articles of goods, and each of the persons who owes me money, also of the Bills Receivable, the Cash, and the Warehouse and Stores. In journalising, therefore, say,

Cr. **Stock.**

	cwt.	q.	lb.		s.	d.	£	s.	d.
By Allum - -	7	3	0	at	14	0	5	8	6
— Copperas - -	23	0	0	"	5	9	6	12	3
&c., &c.,	&c.								
Castellaine & Co. - - - - -							42	5	0
&c., &c.,	&c.								
— Bills Receivable - - - -							159	5	0
— Cash - - - - - -							137	10	0
— Warehouse and Stores - - -							1200	0	0

1

Debts due by me—

	£	s.	d.		
To Ebenezer Grimshaw - -	£102	6	8		
— Thomas Sherlock & Co. -	57	9	2		
— Coutts & Co. - - -	37	19	0		
				197	14	10

List of Bills payable—

My Promissory Note to Nathaniel Low, at one day's date, payable with Interest.	1000	0	0			
Acceptance of Johnson & Co., due 19th January, ...	36	5	3			
Do. to M'Donnell & Co., 4th March - - - - -	172	3	5			
Do. William Murray, 13th April	18	4	0			
				1226	12	8
				1424	7	6

These are debts due by me, partly in the form of Bills Payable, and partly in the form of Balances against me with persons with whom I have accounts. They must be put to the Dr. side of Stock, so that were the Stock balanced, the difference between the two sides would be my net property. In journalizing, therefore, say Stock Dr. to Ebenezer Grimshaw, &c. To Bills Payable.

Dublin, January 2nd, 1832.

	£	s.	d.
Received from Antonio Silva and Co., St. Ubes, Invoice of Salt, shipped per the Active, 33 tons, at £5 per ton - - - - - - -	165	0	0

An Invoice is a notice of goods sent off to me, stating the kind, quantity, and value. As soon as they are sent off to me they are mine. I therefore say, Salt Dr. to Antonio Silva and Co., because the salt came in, and I owe Antonio Silva and Co. for it.

2

Bought of Edward Smith and Co., for 3 months' Bill, 70 barrels Lochfine Herrings, at 20s.	70	0	0

This and the two following transactions are purchases of goods on credit, we therefore make the different descriptions of goods Dr. to the persons from whom they were purchased.

3

Bought of William G. Taylor, London, 31 days,			
4 cases Leghorn Hats, per list -	735	0	0
Freight from Leghorn, and Charges at Florence, paid by him - -	34	16	0
Commission for purchasing, 2 per cent. - - - - - -	15	7	10
	785	3	10

4

Bought of John Jameson and Co., Dodder Bank,			
3 puncheons Malt Whiskey, J. J. No. 1 to 3, 168 gallons, at 5s. 6d. - - - - - -	46	4	0
Storage charged thereon - -	1	2	0
	47	6	0

5

Dublin, January 4th, 1832.

	£	s.	d.
Paid Duty on 1 pun. Malt Spirits, 56 gals. at 2s. 6d. - - -	7	0	0
Permit and Officer's fees - -	0	6	8
These are expenses adding to the cost of the Malt Spirits. Malt Spirits therefore is made Dr. to Cash.	7	6	8
6			
Sold John Campbell and Co., Sackville-street, 1 pun. Malt Spirits, 56 gals., at 9s. 3d. - - - - -	25	18	0
6			
Sold Ward, Pring and Co., at 2 months, 1 case Opium, 16½ lbs., at 14s. 6d.	11	19	3
7			
Sold for Cash to Edward Grant, 3 dozen Cape Wine, 22s. 6d.	3	7	6
3 do. Bottles under do. 2s. 6d.	0	7	6
This is a sale for Cash. The Cash came in; it is therefore Dr. The Wine went out; it is Cr.; and Edward Grant's name does not appear in the Ledger, so far as this transaction is concerned. He should, however, be mentioned in the Journal thus—Cash Dr. to Wine, sold Edward Grant for Cash. The bottles here go along with the Wine, having been so entered in the inventory: this is indicated by the word *under*. Had the bottles been empty, they would have been entered to the Cr. of the Bottle account.	3	15	0
7			
Recd. from Castellaine, Schaezler and Co., London— Invoice of 4 casks Brandy, shipped at Bourdeaux, 23rd Dec., per Aurora, 90 days, at £66 10s. -	266	0	0

Dublin, January 7th, 1832.

	£	s.	d.
Accepted Antonio Silva and Co.'s draft at 4 months, from 20th December, due 23rd April, in London - - - - - - -	165	0	0
To accept a Bill or Draft is to put my name upon it, obliging myself to pay it. Antonio Silva, therefore, is thus paid by a Bill payable The Draft having been accepted by my signature, went out; it is therefore Cr. and Antonio Silva Dr. to Bills Payable.			
7			
Paid duty on 2 puncheons Malt Spirits, 112 gallons, at 2s. 6d. - -	14	0	0
Permit and Officer's fee - - -	0	13	4
	14	13	4
9			
Sold John Jameson and Co., 2 months, 1 puncheon Malt Spirits, 56 gallons, at 9s. 6d. - - - - - -	26	12	0
9			
Received of John Campbell on account - - - - -	50	0	0
10			
Paid duty on Salt, per the Active - - - £4 19 0			
Landing and Cartage - £0 5 6			
	5	4	6
10			
Paid Freight and Charges on Leghorn Hats - - - - - - -	7	0	6

Dublin, January 11th, 1832.

	£	s.	d.
Received of Ward, Pring, and Co. Finlay and Co.'s acceptance at 61 days - - - -	10	0	0
Cash in full of Opium. - -	1	19	3
Ward, Pring, and Co. here pay me partly in a Bill Receivable, and partly in Cash. The Bill and the Cash came in; therefore they are each Dr. to Ward, Pring, and Co.	11	19	3
11			
Sold Thomas Sherlock and Co. 6 M. Barrel Staves, at £15 -	90	0	0
12			
Sold Robert Smith, Stephen's Green, 2 months,			
2 pipes P. Wine at £84, 168 0 0			
19 doz. Cape, " 23s. 21 17 0			
19 " Bottles under do. at 2s. 6d. - - 2 7 6			
	192	4	6
8½ gro. empty bots. 30s. - -	12	15	0
See entry on the 7th respecting bottles.	204	19	6
13			
Bought of Cearns, Cary, and Co. Liverpool, at 4 months,			
75 barrels Potashes, per Invoice, at 93. - - - - - -	348	15	0
13			
Sold Ebenezer Grimshaw, Meath Street, at 2½ per cent. for Cash,			
14½ cwt. Copperas, at 6s. 6d. -	4	14	3

Dublin, January 14th, 1832.

	£	s.	d.
Accepted Castellaine and Co.'s draft at 90 days, due 10th April - - -	266	0	0
——14——			
Accepted John Jameson's draft at two months, due 16th March - -	47	6	0
——15——			
Paid Edward Smith & Co. Delacour's acceptance - - £50 0 0 Cash in full of Herrings 20 0 0	70	0	0
I owe Edward Smith £70, and having Delacour's acceptance, or Bill Receivable, as stated in the inventory of my property, I give that in part payment, and gave cash for the remainder. I therefore say, Edward Smith Dr. to Bills Receivable and to Cash.			
——16——			
Sold for Cash to Mendicity Institution, 20 brls. Herrings, at 25s. - -	25	0	0
——16——			
Sold for Cash to A. McArthur, 12 lb. Nut Galls, at 2s. 8d. - - -	1	12	0
——17——			
Sold Thomas Sherlock & Co., Abbey-street, 61 days, 12 tons St. Ubes Salt, at 125s. - -	75	0	0

Dublin, January 17th, 1832.

	£	s.	d.
Received of Thomas Sherlock & Co., in payment of Salt,			
J. Tottenham's Note, due 4th February - - - £40 0 0			
Cash - - - 34 5 0			
Discount for two months' interest allowed - - 0 15 0			
	75	0	0
This Salt was sold for the £75, but not to be paid for two months (see former entry). Mr. Sherlock offers to pay me immediately, if I will allow him interest for his money for two months, and take as part of it a Bill due in about a fortnight, which I agree to. I therefore Credit Thomas Sherlock By the Bill Receivable, By Cash and by the Discount, which three items make up the whole sum.			
17			
Sold Ebenezer Grimshaw, at 2½ per cent. for Cash,			
5 cwt. Alum, at 13s. - £3 5 0			
10 M. Staves, at £15 - 150 0 0			
3 cwt. Clover Seed, £5 15 0 0			
	168	5	0
17			
Received of Thomas Sherlock, Cash on account - - - - -	20	0	0
19			
Remitted William G. Taylor, on account of Leghorn hats, my note, payable at Coutts & Co.'s thirty-one days - - - - -	500	0	0
I owe W. G. Taylor money, and I drew a promissory note, binding myself to pay him £500 in 31 days, which I send him. This is a Bill Payable, I therefore make him Dr. to Bills Payable.			

Dublin, January 19th, 1832.

	£	s.	d.
Paid my acceptance to Johnston and Co., due this day - - -	36	5	3
This acceptance is one of the Bills payable mentioned in the inventory of my property. It became due, and I pay Cash for it. The Cash goes out. it is therefore Cr.; the Bill comes in, it is Dr. I say, Bills Payable Dr. to Cash.			
21			
Paid Carolan and Co. for Alterations made in Stores, per agreement -	15	0	0
23			
Sold Thomas Sherlock and Co. for 3 months' Bill,			
12 brls. Potashes 35s. £21 0 0			
15 do. Herrings, 25s 19 10 0			
10 M. Staves, £15 - 150 0 0			
10 tons Salt, 125s. - 62 10 0			
	253	0	0
23			
Sold for Cash to Boileaus and George,			
40 lb. Opium, at 13s. £26 0 0			
50 lb. Galls, 2s. 9d. - 6 17 6			
8½ cwt. Copperas, 6s. - 2 11 0			
1 cask Brandy - - 87 0 0			
	122	8	6
25			
Sold Robert Smith, Stephen's-green, 3 months,			
1 Cask French Brandy, £87 14 6			
1 hhd. Sugar, 12 cwt.			
3 qr., at 44s. - 28 1 0			
3 pipes Pt. Wine, £85 255 0 0			
30 doz. Cape, at 21s. 6d. 32 5 0			
	403	0	6

Dublin, January 25th, 1832.

	£	s.	d.
Drawn on Robert Smith in favour of Castellaine and Co., at 31 days - - £282 0 0			
Discount allowed by Castellaine and Co. for prompt payment - 3 3 10			
	285	3	10

I owe money to Castellaine and Co; Robert Smyth owes me money; I therefore draw a bill on Smyth, in favour of Castellaine, which is in effect a direction to Smyth to pay the money to Castellaine on my account. But I thus pay Castellaine before the money was due, and he allows me discount for prompt payment. If this transaction were entered fully, I should make Bills Receivable Dr. to Robert Smyth, and Castellaine Dr. to Bills Receivable; but the usual method is to make Castellaine Dr. to Robert Smyth, by which the two entries on the Bills' Receivable account are avoided.

25

Remitted Coutts and Co., London, Thos. Hodgen's draft on Hilton and Co., 61 days.	200	0	0
Bought from Gibbons and Williams, at par.			

I wish to remit money to Coutts and Co. London. I therefore go to a Broker, or to the Exchange, and purchase a Bill payable in London, for the amount. To enter this fully, I should first say, Bills Receivable Dr. to Cash, and then Coutts and Co. Dr. to Bills Recivable. The usual mode, however, is to regard the Bill sent as Cash, and say Coutts and Co. Dr. to Cash.

Dublin, January 25th. 1832.

	£	s.	d.
Paid Rent of Warehouse for last month - - - - - - -	7	10	0
This and the following entry, being payments of money, without any direct return, or any other person being chargeable with them, may either be put to the Dr. of Profit and Loss, or, if I wish to keep a separate account of such charges, I may open an account for Warehouse rent and charges, and make that account Dr. The effect is the same, for that and similar accounts of expenses, must come into the Profit and Loss account, before the books are balanced.			
29			
Paid Postage Account £1 13 8 Twine, Ropes, and Packing Cases - - - 4 3 0 Clerk's Salary - - 5 0 0 Porter's Wages - - 1 12 0	12	8	8
29			
Received Invoice from Castellaine and Co., of Pearl Ashes, shipped from Baltimore, per William and Mary, 100 barls., at 87s. 6d.	437	10	0
29			
Deficiency in settling Cash, supposed lost - - - - - - -	0	15	3
Here the Cash went out, it is therefore Cr.; but as it was lost, it is credited by Profit and Loss. Say, Profit and Loss Dr. to Cash.			

Dublin, January 29th, 1832.

	£	s.	d.
Sold Ebenezer Grimshaw, 50 barls. Pearl Ashes, now on their way from Baltimore, deliverable 7 days after arrival, at 100s.	250	0	0
—30—			
Received of Ebenezer Grimshaw, J. Wilson's note, 4 Mar. £15 10 0			
Wm. Kelly and Son's acceptance, 3 April - 100 0 0			
Thomas Hodgens' acceptance, 11th - 37 10 0			
Edw. Carpenter's note, 20th April - - 25 0 0			
	178	0	0
Cash on account of Ashes - -	22	0	0
Discount allowed, 2 months' interest on Cash - - - - - -	0	4	5
E. Grimshaw owes me money, he pays me in part with Bills on the persons mentioned, partly in Cash, and I allow him interest for the Cash, because it was paid before it was due; therefore, E. Grimshaw, Cr. By Bills Receivable, By Cash, and by Discount.	200	4	5
—31—			
Discounted with La Touch and Co. E. and J. Kelly's accep., 15th February - £56 8 0			
John Harding's accep., 4th March - - 17 17 0			
John Tottenham's accep., 4th February - - 40 0 0			
Wm. Kelly and Son's accep., 3rd April - 100 0 0			
£214 5 0			
Interest per docket - 2 0 7			
	212	4	5
I have these Bills in my possessio[illegible] which are			

Dublin, January 31st, 1832.

	£	s.	d.
not yet due; but I want the money immediately I therefore take them to a Banker, who gives me the money, deducting the interest for the time that they have to run. The Bills went out; therefore Bills Receivable is Cr. first by the Cash received for them, and secondly by the Discount or Interest.			
31			
Remitted Coutts and Co. a/c Hamilton's draft on Jones, Lloyd, and Co. - - £210 0 0 Discount ½ per cent received - - 1 1 0	208	19	0
Having occasion to remit money to Coutts and Co., London, I purchase a Bill on Jones, Lloyd, and Co., London, for £210; but I pay only £208 19s. for it. I may either make, first, Bills Receivable Dr. to Cash and to Discount, and then make Coutts and Co., Dr. to Bills Receivable for the whole sum; or I may make Coutts and Co. Dr. to Cash and to Discount, and not enter the bill in the account of Bills Receivable.			
31			
Received payment of John Wilson's acceptance, due 23rd inst. - -	35	0	0
This was a Bill in my possession, which, after falling due was Paid: the Cash came in, it is therefore Dr. and the Bill went out, Cash is Dr. to Bills Receivable.			
31			
Error in charging Thos. Sherlock and Co. Pot Ashes, 23 January, 12 barrels at 35s. instead of 95s. say 60s. per barl. - - -	36	0	0
In this entry an error has been detected in the Books, and the mode of correcting errors is not to			

Dublin, January 31st, 1832.

	£	s.	d.
make erasures, but to make additional entries of an opposite kind. In this entry, goods sold had, by mistake, been charged too little; the person who bought them, must therefore be made Dr. to the kinds of goods bought by him, for the amount of the error.			
31			
Drawn on Robert Smyth in favour of W. G. Taylor, at 31 days, for - - - £282 0 0 Discount allowed for prompt payment - 3 3 10	285	3	12
See a similar entry on January 25th.			
31			
Error discovered in placing to the account of John Jameson, 1 pun. Malt Spirits, sold to John Campbell, on Jan. 9th - - - - -	26	12	0
When one person is thus by mistake debited instead of another, Cr. the person so charged, By error, and Dr. the person who ought to have been debited, To the Goods sold him. The only alteration in the real account credited is, to draw the pen through the name of the person, erroneously entered, and to write over it the name of the proper person. The amount in the money column remains unaltered.			
31			
Error in giving credit to Thomas Sherlock, for Cash paid by E. Grimshaw, on January 17th -	20	0	0
This error is similar to the last, and must be corrected in a similar manner. Enter on the Dr. side of Thomas Sherlock's account, To error, and Cr. E. Grimshaw, By Cash. On the entry on the Cash account, draw the pen through the name of Thomas Sherlock, and write E. Grimshaw over it.			

Dublin, January 31st, 1832.

INVENTORY OF GOODS ON HAND.

	£	s.	d.	£	s.	d.
Alum, 2 cwt. 3 q. at 14s.	1	18	6			
Tobacco, 12 cwt. 0q. 5lb., 6s.	404	14	0			
Opium, 16½ lbs. at 12. 3d.	10	2	1½			
Galls, 84 lbs. " 2s. 6d.	10	10	0			
Cloverseed, 9 cwt. 2q. " 80s.	38	0	0			
Corkwood, 8 ton 5 cwt., £26	214	10	0			
Wine, 6 pipes Port, " £72	432	0	0			
Do., 1 " " " £80	80	0	0			
Do., 73 doz. " " 45s.	164	5	0			
Do., 36 " " " 48s.	86	8	0			
Do., 57 " Cape " 21s.	59	17	0			
Do., 3 pipes Teneriffe £48	144	0	0			
Do., 4 " Lisbon £58	232	0	0			
Do., 5 butts Sherry, £63	315	0	0			
Salt, 11 tons, " 103s. 2d.	56	14	10			
Herrings, 35 barrels " 20s.	35	0	0			
Leghorn Hats, 4 cases,	792	4	4			
Malt Spirits, 56 gals., " 8s. 3d.	23	2	0			
Brandy, 2 casks, " £66 10s.	133	0	0			
Ashes, 113 barrels, viz.,						
63 " " 93s.	292	19	0			
50 " " 88s. 6d.	218	15	0			
				3744	19	9½
Bills Receivable on hand—						
Finlay and Co.'s acceptance,	10	0	0			
James Wilson's note 4th March,	15	0	0			
Thos. Hodgens' do. 11th April,	37	10	0			
E. Carpenter's do., 20th do.	25	0	0			
				88	0	0
Cash on hand - - - - -				130	11	0
Warehouse and Stores valued at - -				1215	0	0
Carried forward,				5178	10	9½

This is an Inventory taken as a preparation for balancing the books. Balance is made Dr. to all Goods, and property of every description, remaining in my possession. The property in this case consists of the various kinds of Goods enumerated of Cash, of Warehouse, of Bills Receivable, and of Debts due to me. Each description of Goods for which an account has been opened is credited. By Balance for the quantity and value on hand; also Cash, for the Cash on hand; and Warehouse and Stores, for the value of them; Bills Receivable, for the whole amount of Bills in one sum; and persons for the sums due respectively by them.

Dublin, January 31*st*, 1832.

		£	s.	d.
Brought forward,		5178	10	9½
List of Debts due to me—				
John Campbell and Co. -	£2 10 0			
Thomas Sherlock and Co. -	321 10 10			
Ebenezer Grimshaw -	100 8 2			
Robert Smith - - -	44 0 0			
Coutts and Co. - - -	372 1 0			
		840	10	0
		6019	0	9½
——31——				
List of debts due by me—				
Castellaine, Schaezler and Co.	£110 1 2			
Cearns, Carr, and Co. -	276 4 8			
		386	5	10
List of Bills Payable—				
My note to N. Low, 1 day's date	£1000 0 0			
Accep. to M'Donnell & Co. 4 Mar.	172 3 5			
Do. " Wm. Murray, 13 April	18 4 0			
Do. " A. Silva & Co. 23 April	165 0 0			
Do. " Castellaine & Co. 10 April	266 0 0			
Do. " John Jameson, 16 Mar.	47 6 0			
Do. " W. G. Taylor, 22 Feb.	500 0 0	2168	13	5
		2554	19	3

From my property must be deducted debts due by me. This is done by making them Dr. to Balance. The debts here are balances of accounts not settled, and Bills Payable. Balance is made Cr. by each of the persons to whom I owe money; or, what is the same thing, each person is made Dr. to Balance for the amount of what I owe him, and Bills Payable are made Dr. in one sum, for all such bills still remaining unpaid.

£	s.	d.
5178	10	9½
840	10	0
6019	0	9½
386	5	10
168	13	5
554	19	3

The Journal being written according to the directions given, the Ledger must be posted from it. Then, before entering the Balance of the Goods, &c., on hand, according to the Inventory, make the trial balance. Enter then, from the Inventory, the balances of Goods on hand to the Cr. side of each account; this ought to agree with the balance found by comparing the quantities on each side, as in Set III. Proceed to balance and close the Cash Account and Personal Accounts, the difference between the two sides being entered, To or By Balance. Close the Real Accounts by entering the difference between the two sides, To or By Profit and Loss. Close also, in the same manner, the accounts of Discount or Interest, Charges, &c. Collect now all the balances upon a separate sheet of paper, ruled like the Ledger, as directed in former sets; and whenever the Balance is entered on the Dr. side, to make the sides equal, enter it on the Cr. side of the Balance Sheet, and *vice versa*. Proceed now to close the Profit and Loss Account. Enter in the difference between the two sides, To or By Stock for my gain or loss, as the case may be, and write the same sum on the opposite side of the Stock Account, To or By Profit and Loss. Close now the Balance Account, entering the difference, To or By Stock, for my net estate, entering the same sum on the opposite side of the Stock Account, To or By Balance. The two sides of the Stock Account should now be equal, which closes the books: if the sides be not equal, an error has been committed, which must be searched out and corrected.

QUESTIONS ON THE SIXTH SET.

Of what accounts are there examples given in this Set? In Journalizing, for what do you debit and credit Stock? When goods come in, are they Dr. or Cr.? What are Bills Receivable, and Bills Payable? When you receive a Bill Receivable in payment of goods, how would you enter it? When are goods Dr. to Bills Payable? When to Bills Receivable? What if the Bill was received from a person with whom you have an account, towards that account? What if a Bill Receivable is paid to a person with whom you have credit? What is done when a Bill is purchased for Cash to be remitted? What is done when one person's acceptance is paid to another, with both of whom you have accounts? What do you mean by getting Bills discounted? What is done when a person pays an account partly in Cash, and partly in Bills? How are transactions tried from one book to another?

Seventh Set.

EXAMPLES

OF SINGLE AND JOINT CONSIGNMENT, ADVENTURES, FACTORSHIPS, PARTNERSHIPS, &c.

If I purchase a Ship, I open an account for the Ship, debit that account to Cash, for the purchase money, or to whatever other description of property I have given for it, and credit the amount by whatever I receive by the Ship, as freight, &c., and, also, if I sell it, by whatever I may receive for it. If the account is to be balanced while the Ship remains in my possession, I must enter the Ship estimated at its present value, on the Cr. side of the account; and then the difference between the two sides will show the gain or loss which has arisen out of my purchase.

The same directions are applicable to houses, land, or other property, from which I may receive returns without parting with it. I must open a separate account for every particular item of such property; for example, every house, every farm, &c., which I purchase, or let separately, I debit such accounts to Cash, for all expenses laid out upon them, and credit them by all returns received from them. When I balance such accounts, I must, as in the case of Ships enter on the Cr. side the present value of the property, and the difference between the sides will show my loss or gain.

If I ship goods on an adventure, I open an account for the adventure, describing it in whatever way may render it most distinct, as, Consignment per the ————, (the name of the Ship) to ————, (the

name of the place), Consignee, Mr. or Messrs. ——, (the name of the person or persons); or simply, Consignment or adventure, No. 1, No. 2, &c., the particulars being recorded in the Waste Book, I debit this account with the goods shipped, or with Cash laid out in purchasing goods for the adventure, and with all Charges; and credit the account with all returns. If the goods be all sold, the difference of sides will show the result of the adventure. If part of the goods be unsold, I must, in balancing, enter the value of them on the Cr. side of the account, as in the former case, such value being taken as it it originally stood, and stated in an inner column of the account, and a per centage deducted therefrom, of the supposed reduction, if any, in the value, leaving the net account, or apparent real value to be extended in the proper column, to show the true state of the account.

If I receive goods to be sold on behalf of an employer, for a commission, I open an account of Goods for the Account of ——, (the employer) this account is made Dr. for all charges, and Cr. by all receipts on account of the goods. If I sell goods thus consigned to me, on credit, I make the purchaser Dr. to this account of goods; when the goods are all sold and the account is to be closed, by my remitting Cash or Bills, the account is made Dr. to the Cash or Bills remitted, and to Profit and Loss for my commission; or if I have an account open for commissions, the amount of the commission is placed to the credit of that account. If the account is to be balanced before the goods are all sold, or the proceeds remitted, I open a personal account for my employer, and cred[illegible]m therein, with

what I may have received from the sale of his goods, and debit him with what I have expanded on the goods, also with my commission on the amount sold, up to the time when the balance is struck and furnished to him.

The chief peculiarity of accounts of goods received to be sold on commission, is, that the value of the goods received is not entered on the Dr. side of the account in my Ledger, because they do not belong to me. I keep the account of them in a separate book, as still belonging to my employer, although intrusted to my care: but, having entered on the Cr. side of the account of such goods whatever Cash or other property I receive for them, I enter on the Dr. side what I remit to my employer, together with charges and commission. If I do not remit to him Cash that I receive for his goods immediately, I credit his personal account with the amount of his goods sold by me, and debit it with my commission. If I advance any proportion of the value of the goods consigned to me, before they be sold, I oper a personal account with my employer, as before alluded to, debit that account with the money advanced to him, and credit it for whatever I sell, the difference, will then show how much he owes me, or how much I owe him.

There are three cases of partnership. *First*, when I intrust goods to another person to trade with on my behalf and his own, under certain stipulations. In this case, I state the terms of the copartnery in the Waste Book, and open an account for it in the Ledger, designating it briefly and clearly. If I engage in several such copartneries, I may describe them, Company, No. 1, No. 2, &c. This account is debited to

The goods or cash which I contribute to the joint stock in trade, and credited by everything either of goods or Cash, &c., that I receive from it. When the account is to be balanced, my Partner must ascertain the value of the goods remaining unsold, estimate the profit and loss in the ordinary way, calculate my share of either. If he pay me my share of gain, or I pay my share of loss, I debit the account for what I pay to Cash, or credit it by Cash for what I receive, as the case may be. The difference between the two sides in the Company Account will show the profit or loss, which must be entered accordingly. If my Partner do not pay me my share of gain, or I do not pay my share of loss, I Cr. the account, By Balance for my share of gain, or Dr. it To Balance for my share of the loss, after which, the account is to be closed like any goods account, By Profit and Loss.

The *second* case of Partnership is, when I am intrusted with property to trade with, on behalf of myself and others, on certain stipulated terms, I enter the terms in my Waste Book, and open an account for the Company as before; but in this case I open also an account for the "Goods in Company," or accounts for the different kinds of goods in Company. I debit these accounts for whatever goods or Cash I contribute to the Company's stock. I then make the Company's account Dr. for all the outlay incurred by it, and make it Cr. by all that I receive for it; if the outlay was for goods to be added to the Company's stock, I make the account of "Goods in Co." Dr. for the outlay: and, if I receive for the Company Cash or Bills, I make my own accounts of Cash or Bills Receivable Dr. to the

Company's Account. If I purchase Goods on credit for the Company, I make the amount of the Goods in Co. Dr. to the person from whom I purchase. If I sell on credit on behalf of the Company, I make the person to whom they were sold Dr. to the Goods in Company.

When I would settle with my Partner, I find the gain or loss upon the "Goods in Company" Account in the usual way, and that gain or loss upon the Goods I transfer to the Partnership Account, making that account Dr. to the "Goods in Company Account, for loss, or Cr. by it for gain. The difference between the two sides of the Copartnery Account will show the gain or loss upon the whole business of the Company. I then calculate the shares of gain or loss for each Partner, according to the terms of the Partnership. If I pay my Partner his share, then the Company Account is Dr. to Cash for his share of gain, and to Profit and Loss for mine. If his share is not paid, then I open an account for him personally, and make the Company Account Dr. to his Personal Account for his share, and to Profit and Loss for mine. If Loss was sustained, and he pay his share, then the Company Account is Cr. By Cash for his payment, and By Profit and Loss for my share of Loss: if he do not pay the time, I open, as before, a Personal Account for him, and make him Dr. to the Company Account for his share of loss and Profit and Loss Dr. for my share.

The *third* case of Partnership is when the several Partners take part in the management of the joint trade. In that case books are kept as for the trade of an individual. The Real Accounts, as Cash, Bills, &c.,

are the accounts of the Company; the Personal Accounts are accounts of persons dealing with the Company; and the Fictitious Accounts show the gains or losses of the Company. Besides these accounts, an account is opened for each Partner, and each is made Dr. for whatever he receives from the Company, and Cr. for whatever he pays on its behalf. When a settlement is to be made, the books are balanced as in ordinary cases. The gain or loss is ascertained also, by comparing the two sides of the Profit and Loss Account. Here, however, occurs a difference between books belonging to a Company, and books belonging to an individual. The gains or losses are not properly gains or losses of the Company, but of the individual Partners of the Company, to be distributed among them according to their respective shares. The balance of the Profit and Loss Account, therefore, is not carried to the Stock Account, but it is divided among the Partners, and carried to the personal accounts: if gain, to their credit; if loss, to their debit. The Stock Account, therefore, does not show, as in ordinary cases, the net profit made, or loss incurred, for the Stock of the Company receives no accession by profit made, or diminution by loss sustained, the profit going to the individual Partners, and placed to the credit of their Personal Accounts; and loss being also charged to the Partners, by being carried to the debit of their Personal Accounts.

Different methods are adopted by different Book-keepers in closing the Stock Account of the books of a Company. Perhaps the following is as simple and clear as any:—Place, as usual, the gross value of the property of every kind, actually in possession of the Company, including the debts due to me, on the Cr. side of the Stock Account. If profit has been made, this inventory will of course include it, showing an overplus above the standing capital. The balance of the Balance Sheet, brought to the Dr. side of the Stock Account, will correspond with the standing capital, exclusive of gain; and to make the Dr. side equal,

bring the sum placed to the Cr. side of the Partners' Account, to the Dr. side of Stock. The profits made, will then appear as debts due upon the Stock, to the Partners of the Company, and losses will appear on the Cr. side of Stock, as debts due by the Partners to the Company.

If any transaction took place previous to the balance being made, between the Company and any of the Partners, such as, his receiving money before profits are ascertained, his account must be balanced among the other Personal Accounts, before ascertaining the loss or gain of the company. But, the profits or losses of that period, and first ascertained in the balance, are merely to be entered to the Partners' Personal Accounts, to stand to their debit or credit for the ensuing year.

If any Partner wish his share of gain to be added to his share of capital in the Company, and the Company agree to it, then his share of gain, after being entered to his credit, must be entered also on the debit side of his account, "To Stock," and from thence being carried to the Cr. side of the Stock Account, makes the intended increase to the capital of the Company. If the partnership is at the same time to be dissolved, the stock on hand must be sold or valued, the debts inward collected, and outward paid, and each Partner's share of the property paid to him, or of debts received from him. It however frequently happens that some one or more of the partners, or some other person or company takes the stock and debt of the Company at a valuation, and then becomes Dr. to each of the Partners for his share of the property, as per valuation.

WASTE BOOK.

The following transactions are copied from Brewster's Encyclopædia. These have been chosen partly because they comprise, in a narrow compass, the chief difficulties of the art of Book-keeping, and partly to show that the directions given are applicable to business transactions generally.

Dublin, January 1st, 1832.

	£	s.	d.	£	s.	d.
An Inventory of my Effects and Debts active, taken this date by me, A. B.						
I have in ready money	2000	0	0			
In the Royal Bank	4000	0	0			
My House and Furniture are worth - - - -	1800	0	0			
7 pipes of Port Wine, A.	560	0	0			
Delivered 4 Pipes into Co. 1, under the direction of James Higgins - - - -	320	0	0			
Taken 5 tons of Madder into Co. 2, with John Scott, (mark A.) - - -	300	0	0			
Due to me—						
By Robert Runner - -	100	0	0			
By John King, our Account of Exchange in Co. 4	500	0	0			
				9580	0	0

Dublin, January 2nd, 1832.

	£	s.	d.
Bought of Thomas Willan, for ready money, 3 tons of Madder, at £2⅔ per cwt. mark B. - - - - -	160	0	0
2			
Sold for ready money, 1 pipe of Port Wine - - -	94	0	0
This transaction and the last are for Cash, and must be entered accordingly.			
2			
Bartered with James Reeves, 1 pipe of Port Wine, for 1½ ton of Madder, at £3 per cwt. M.C. - -	90	0	0
When one kind of goods is bartered for another, make that which comes in Dr. to that which goes out.			
2			
Lent James Walsh, to be repaid me in one month, with interest at 5 per Cent. - - - - -	100	0	0
4			
Drawn on John King of London, O. A. of Exchange, a Bill of £50 at usance, favour of James Quinn or Order, value received of do., at 1¼ per cent. advance - - -	50	12	6
I have entered into a partnership with John King of London, by which I draw Bills on him, and sell them, receiving the advantage of the Exchange. I had £500 in his hands, as appears by the inventory of my goods, and this transaction is drawing a Bill on him, and obtaining 1¼ per cent. for it. I have an Account for this Partnership, under the title, John King, our Account of Exchange, Co. 3, and I make Cash Dr. to that Account, for the whole sum received. O. A. in the entry, signifies our Account.			

Dublin, January 4th, 1832.

	£	s.	d.
Drawn on John King of London, O. A. of Exchange, a Bill of £450 at usance, favour of James Williams or Order, value received of do. at £1 per cent. advance -	454	10	0

This is a transaction similar to the last, and to be entered in the same manner.

4

Received from James Higgins, the account of the sales of our Red Wine,

The total sales of 8 pipes	£720 0 0	
His Commission of 2½ per Cent. - - -	18 0 0	
The Net proceeds - -	£702 0 0	
My half is - - -	£351 0 0	351 0 0

Which he paid me by a Draft on the Royal Bank for that sum, and which I lodged there.

James Higgins and I contribute each 4 pipes of Port Wine to be sold, and the profits equally divided; but as he is to have the charge of selling them, he is to receive, besides his share of the profits, 2½ per cent. commission. The value of my share of the Wine, as stated in the Inventory, was £320, he sells the whole for £720, his commission is £18, the remainder is £702, which is to be equally divided between us; my share is £351, which he pays me by a draft on the Royal Bank. I have already an account opened for this partnership, under the title, "Adventure in Co. 1," which was debited to Stock, for the Wine embarked in it. I now credit it. By the Royal Bank, for the amount received on its account.

Dublin, January 5th, 1832.

	£	s.	d.
Received from the Royal Bank, the balance of the Interest Account, ending the 24th December, - -	40	0	0

In Scotland, the Bankers give interest for money lodged with them, and take interest for money advanced by them. In settling this account, the balance was in my favour, and the Royal Bank pays me £40 interest. Here I may either, first make the Royal Bank Dr. to interest or to Profit and Loss for the interest due, and then make Cash Dr. to Royal Bank for the payment of it; or I may at once make Cash Dr. to Profit and Loss, for the interest paid me by the Royal Bank.

6

Sold for the account of Co. 2, to James Taylor, for an accepted Draft on the Royal Bank, the 10 tons of Madder, markod A.

	£	s.	d.
1 ton at £4 0 0 } p. cwt.	80	0	0
9 do. at £3 10 0 } p. cwt.	630	0	0
	710	0	0
My Commission on the Sale, at 2½ per cent.	17	15	0
	692	5	0
My half is - - -	346	2	6
John Scott's half is -	346	2	6
		710	0	0
Lodged the Draft on the Royal Bank, and paid John Scott by my Draft on the Royal Bank - - -		346	2	6

By the Inventory, it appears that I contri-

Dublin, January 11th, 1832.

	£	s.	d.
buted 5 tons of Madder to a Partnership entered into with John Scott, he contributing an equal quantity; the whole being under my charge, for which I am to receive a Commission, besides an equal share of the profits. I have already opened an account for this Partnership, under the title of Co. 2, with John Scott. I sell the whole for a Draft on the Royal Bank. As in the case of Co. 1, I first deduct my Commission, then I pay John Scott his half by a Draft on the Royal Bank. Here, in the first place, I make the Royal Bank Dr. to Co. 2, for the whole amount of the Draft which I have received upon it. I then make Co. 2 Dr. to Commission, or Profit and Loss for my Commission; and to John Scott's Personal Account, for his half of the net proceeds, which I now owe him. And, lastly, I make John Scott's Personal Account Dr. to Royal Bank, for the Draft which I paid him. Or, opening no Personal Account for John Scott, I might have made Co. 2 Dr. to Commission, and to Royal Bank, for the Draft given to John Scott.			
11			
Remitted to John King of London, for our account of Exchange, John Ker's Draft of £300 at usance, on Coutts and Company of London, which I purchased by my Draft on the Royal Bank - - - -	297	0	0
This is money remitted to John King, to be drawn for, agreeably to the terms of the Partnership. I make Co. 3 Dr. to Royal Bank, for the Draft, by which I purchased the Bill on Coutts and Company.			

Dublin, January 12th, 1832.

£	s.	d.

Dublin, January 24th, 1832.

	£	s.	d.
Counterbalanced by the desire of John King of London, what I owe him, by the Invoice of Madder, received this date, against what he owes me, by our Account of Exchange—The balance to be brought to his account—The balance to be divided is - - - - - -	8	2	6
He shipped in the Fame, James Lawson, Master, 5 tons of Madder, at £3 per cwt. - - - - -	300	0	0

I had, on commencing, £500 in the hands of John King, for the account of Co. 3, to which I afterwards add a Bill of £300, but which I purchase for £297. I drew upon him for two sums, making together £500. So that he has of mine, according to this statement, £297; but I had made profit by the Bills which I drew on him, which was to be equally divided with him. To close this account he sends me Madder, to the value of £300, and desires me to settle the account, and to give him credit for what balance may be over. Here, I first make Madder Dr. to Co. 3. I then make the same Co. 3 Dr. to John King's Personal Account, for his share of the profit; and to Profit and Loss, for my share of it, *i. e.* £4 1s. 3d. each.

25

Robert Runner is dead, and Insolvent, what he owes me is lost - -	100	0	0

This appears to be a total loss. I make Profit and Loss Dr. to Robert Runner for the whole. Should I afterwards receive any dividend from his Estate, I should make Cash Dr. or Profit and Loss for it.

Dublin, January 26th, 1832.

	£	s.	d.
Bought of James Henry, at the Auction Sales, at Six Months, with the condition of the abatement of £1 per cent. per month for ready money, 5 pipes of Port Wine, at £75 per pipe - - - - - - -	375	0	0
This Wine was bought on credit, and the name of the Agent of the Sales was James Henry. Port Wine, therefore, is Dr. to James Henry.			
26			
Bought of James Ker, on my note, payable at 2 months, 4 tons of Madder, at £2 15s. per cwt. - - - - - -	220	0	0
In return for this Madder, I gave my own Note or Bill, payable at 2 months. I therefore say, Madder Dr. to Bills Payable.			
27			
Discounted to James Henry, the Agent of the Sales, my debt for the 5 pipes Port Wine. The Discount is £22 10 0 And the sum due 352 10 0	375	0	0
Paid by my draft on the Royal Bank.			
In purchasing the Port Wine, on the 26th, at 6 months, the Agent agreed that if I chose to pay ready money, he would allow me £1 per cent. for every month. I act upon this agreement, and take the discount, amounting to £22 10s., the balance £352 10s. I pay by a draft on the Royal Bank. Say, James Henry Dr. to Royal Bank, and to Discount, or, to Profit and Loss for Discount.			

Dublin, January 27th, 1832.

	£	s.	d.
Discounted to James Ker, my Note, payable in 2 months, at 6 per cent. per annum,			
The Discount is - £2 3 7			
The Sum paid - 217 16 5			
	220	0	0
I had given James Ker, for Madder purchased on the 26th, my Note, payable in 2 months. He wishes for ready money, which I agree to give, upon his allowing me the Discount or Interest for 2 months The Discount is £2 3s. 7d., and I pay the remainder in Cash. Bills Payable had already been made Cr. by Madder; I now, therefore, make Bills Payable Dr. to Cash, and to Discount, or Profit and Loss, for Discount.			
28			
Paid James Taylor, the award of the the Examiners who viewed the hogshead of Madder, M.A., by Draft on the Royal Bank,			
My half is - - £5 5 0			
John Scott's is - 5 5 0			
	10	10	0
In company with John Scott, Co. No. 2, I had sold Madder to James Taylor, (see entry Jannary 6th,) one hogshead of which proved to be damaged. This being examined by competent persons, they award £10 10s. as the amount of the damage. This I pay in Cash, charging one-half to John Scott. Cash is Cr. by Profit and Loss, for my share of Loss, and by John Scott for his.			

Dublin, January 28th, 1832.

	£	s.	d.
Paid for the honour of William Kane of Hull, his Draft of £50, on Jas. Henry, protested yesterday, for non-payment - - £50 0 0 Charges of Protest - 0 10 0 Commission, ½ per cent. 0 5 0	50	15	0
William Kane of Hull, to whom I had sent Goods on consignment, neglects to provide for the payment of a Bill when it becomes due, and it is protested. But I, believing in his solvency, pay the Bill, with the expenses of protest for him, charging him Commission. William Kane is Dr. to Cash, for Bills and Charges, and to Commission, or Profit and Loss for Commission.			
February 2nd			
Received from William Kane of Hull, an account of the Sales of the 4½ tons of Madder, consigned to him the 12th current, The total Sales - - £382 5 0 His charges 0 11 6 Commission and Insurance 4 per cent. 15 6 0 15 17 6	366	7	6
For which he has remitted me a draft of Lane & Co. on King and Co. at 7 days' sight, for £417 2s. 6d., which includes my former demand of £50 15s. - - - - -	417	2	6
William Kane having sold my Goods consigned to him, sends me returns of the Sales,			

Dublin, February 2nd, 1832.

	£	s.	d.
deducting charges and his commission, enclosing a Draft or Bill, at 7 days, for the amount due to me on the consignment, and also for the Bill which I had paid. Bills Receivable, therefore, is Dr. to Voyage to Hull, for the net proceeds of the Consignment, and to William Kane, for the amount of the Bill, which I had paid for him, with the Charges and Commission.			
—2—			
Received from James Walsh, £100, lent him with interest - - -	100	8	4
—2—			
Paid the expenses of the house for the last month,	50	0	0
Salaries - - £20 0 0			
Petty Charges - 3 10 0			
	23	10	0
	73	10	0
—4—			
Took Stock, and found on hand as follows :—			
Cash - - - - -	2113	14	5
In Royal Bank - - -	4065	7	6
House, &c. - - - -	1800	0	0
Wine, 8 pipes - - -	615	0	0
Madder, 9 tons - - -	520	0	0
Bills Receivable - - -	417	2	6
John Scott, H. A. - £5 5 0			
William Ker - - 96 0 0			
	101	5	0
	9632	9	5
Debt due by me,			
John King of London - - -	4	1	3

This Set may be balanced from the books without taking Stock, as the quantities of the goods received and sent out, were regularly entered. In real business, however, the goods on hand should be compared with the balances of the quantities shown by the books.

The Ledger is to be posted from the Journal, and balanced, as in former Sets; taking care, in the case of co-partners and commissions, to follow the directions given in the introduction to this Set.

QUESTIONS ON THE SEVENTH SET.

Of what transactions does this Set treat? If you purchased a ship, how would you enter the transaction in your books? Suppose you received a certain sum for freight, how would you enter it? How, if you sold the ship? If you should balance the account whilst you have the ship, how would you enter the ship? With what other description of property would you pursue the same plan? If you ship goods on an adventure, how would you proceed? Suppose part of the goods were unsold, how would you manage when balancing the books? If you receive goods to be sold on behalf of an employer, for a commission, how would you open an account? When you sold goods, how would you enter the receipts? How would you enter Cash or Bills remitted to your employer? How, your Commission? What is the chief peculiarity of accounts of goods received to be sold on commission? How many cases of partnership? What is the first? In what book would you state the terms of the co-partnery? In what book would you open an account for it? How would yor debit this account? How credit it? What must be done when the accounts are to be balanced? If your partner paid you your share of gain, how would you enter it? How, if you paid your share of loss? How would you manage, if you neither received your share of gain nor paid your share of loss? How is the account

to be closed? What is the second case of partnership? What other accounts would you open in this, besides those in the former case? When you contribute goods or cash to the Company's stock, how do you enter it? How, if you received Cash or Bills? How, if you purchase goods on credit for the Company? How, if you sell on credit? When you would settle with your partner, upon what account would you find the gain or loss? To what account would you transfer this, when found? On what side of the account is the gain to go? On what, the loss? What will the difference of the two sides of the Co-partnery Account show? If you pay your Partner his share, how would you enter it? What would you do if his share is not paid? If your Partner pays his share of a loss sustained, how do you enter it? If he does not pay it at the time, how then? What is the third case of Partnership? How are the books kept in this case? What do the Real Accounts show? What do the Personal Accounts show? What the Fictitious? What peculiar accounts are necessary? When is a Partner made Dr.? When Cr.? On which side of the Partner's Accounts is gain entered? On which loss? How is the gain or loss stated in the Stock Account? Why is gain not stated on the Cr. side of the Stock Account, as in ordinary cases? If a Partner choose to add his share of gain to the Capital, and the Company agree to receive it, how is that to appear in the Partner's account? How is it to appear in the Stock Account? If the Partnership is to be dissolved, what must be done with the Stock? What with the debts? Suppose that the Stock of the Company, or debts due to it, were bought by an Individual or Company, in what relation would that individual or Company stand to the Partners?

SUBSIDIARY BOOKS.

When the transactions connected with any particular account in the Ledger are very numerous and small, it is usual to keep a record of them in a book by themselves, and to insert in the Ledger only the sums of the transactions added up at stated intervals. For example, it would obviously be ridiculous to enter into a Ledger every shilling or sixpence paid out or received. An account of such small sums, therefore, is kept in a book by themselves, and added up once a week, or once a month, and only the weekly or monthly sums put into the Ledger. Larger cash transactions are often treated in the same way. All receipts and payments are entered on the Dr. and Cr. sides of a Cash Book, and the sum of each side brought once a month into the Ledger, by which contrivance there never can be more entries in the Ledger than *twelve* on each side, namely, *one* for each month in the year.

Sales are often managed in the same way. A book is kept for recording sales only, and the amount of Sales added weekly or monthly to the Ledger. In some extensive retail trades every shopman is made to keep a book, which is added up every day, and the amount transferred to a general Sales' book, which again is added up once a week or month, and the sum entered in the Journal or Ledger. Sometimes in such trades, only one Sales' book is kept in the shop, and every shopman writes every sale that he makes on a slip of paper, and hands it to the Book-keeper, who enters it in the Sales' book.

EXAMPLE OF A BOOK OF HOUSE EXPENSES.

1832.	*House Expenses Dr. to Cash.*	£	s.	d.	£	s.	d.
Mar. 1	For a Scrubbing Brush - -	0	1	0			
	" mending a pair of Bellows -	0	0	6			
	" a new Tea Kettle - -	0	7	6			
	" mending the Crane and 3 Hooks	0	5	0			
	" Fish - - - - -	0	2	6			
6	" 3 Washing Tubs - -	0	9	0			
7	" tinning a large Pot and 4 Sauce-pans - - - -	0	4	8			
		—	—	—	1	10	2
9	" a Goose and 2 Ducks - -	0	6	0			
10	" a Turkey - - - -	0	6	0			
11	" the Baker's Bill - - -	0	19	8			
	" the Butcher's Bill - -	6	1	6			
13	" 3 lb. of Sausages - -	0	1	6			
14	" a peck of Oysters - -	0	3	0			
16	" a peck of Onions - -	0	0	6			
		—	—	—	7	18	2
17	" a new Fire-shovel and Tongs	0	8	6			
	" a large Stew-pan - -	0	8	6			
19	" the Apothecary's Bill - -	3	10	0			
20	" a Load of Hay - - -	1	10	0			
21	" a Load of Straw - -	1	0	0			
	" the Farrier's shoeing Whitefoot	0	2	6			
	" Curing Coachman's broken shin	1	1	0			
	" mending the Clock - -	0	10	6			
		—	—	—	8	11	0
23	" a new Jack-line - -	0	2	0			
24	" the Cook's Bill - - -	0	17	6			
	" a Turbot - - - -	0	10	6			
26	" a Dozen of large Eels -	0	7	6			
27	" A dozen of Lemons - -	0	1	6			
28	" a Firkin of Butter - -	1	8	0			
29	" a Cheshire Cheese, wt. 20 lbs, at 10d. per lb. - -	0	16	8			
	" the Baker's Bill - -	1	1	6			
31	" a Quarter's Rent - -	10	0	0			
		—	—	—	15	5	2
	These sums of each week's expenses, viz., £1 10s. 2d., £7 18s. 2d., &c., are, at the end of each week, entered on the Cr. side of the Cash Book, 'By House Expenses;' or, 'By Profit and Loss for House Expenses.'				33	4	6

s.	d.
10	2
7 18	2
8 11	0
5 5	2
3 4	6

CASH BOOK.

The Cash Book is kept precisely on the same principles with the Cash Account in the Ledger; it is headed, on that account, Cash Dr., Contra Cr., the title, Cash, meaning myself in regard to Cash. Whatever Cash is received, therefore, is entered on the Dr. side; and whatever is paid out, is entered on the Cr. side.

EXAMPLE OF

Cash, *Dr.*

1832.			£	s.	d.
Mar. 1	1	To Stock brought from the last month - - - - -	1 8099	4	2½
2	1	To Sir Robert Johnson, received in full - - - - - -	3 30	0	0
6	2	To Ship James, received in full of John Herbert for one 16th -	6 125	0	0
8	2	To Ship James, received of Captain John Smith, in full for one 16th	6 125	0	0
17	2	To William Baker, Esq , received in part - - - - - -	4 125	0	0
20	2	To Canary, for one Pipe sold to William Dello - - -	1 30	0	0
25	2	To Sundry Accounts - -	— 174		0
			8708	4	2½

Cash, *Dr.*

1832.					
April 1	—	To Balance brought from the last month - - - - -	— 6989	8	7¾
10	3	To Ship James, received of William Evans, in full for one 16th -	6 125	0	0
12	3	To Ship James, received of James Jackson, in full for one 16th -	6 125	0	0
14	3	To Ship James, received of Thomas Jones, in full for one 16th -	6 125	0	0
20	3	To John Hammond, Esq., received in full - - - - -	5 100	0	0
30	4	To William Warner, received in full - - - - - -	4 34	7	0
			7498	15	7¾

A CASH BOOK.

		Per Contra, Cr.		£	s.	d.
1832.						
Mar. 4	1	By Ship James, paid in part -	6	75	0	
9	2	By James Allen, paid in full -	6	1425	0	0
23	2	By Thomas Preston, Esq., paid in part - - - - -	5	89	7	0¾
26	2	By Ship James, Paid Thomas Young in full for Joiners' Work -	6	20	17	0
27	2	By Ship James, paid T. Pierce in full for Rigging - - - -	6	27	14	6
28	2	By Ship James, paid D. Smith in full for Repairs - - - -	6	40	8	0
30	3	By Ship James, paid Nathaniel Westal in full for Painting - -	6	7	4	6
31	3	By House Expenses, paid Sundry Charges this month - -	7	33	4	6
	R.	By Balance remaining in hand, carried to the next month -	—	6989	8	7¾
				8708	4	2½

		Per Contra, Cr.				
1832.						
April 3	3	By Ship James, paid the Blockmaker in full - - - - -	6	19	17	6
7	3	By Ship James, paid the Ship Chandler in full - - - -	6	700	13	0
24	4	By Voyage to Amsterdam, consigned to Jacob Van Hoove - -	8	140	7	10
25	4	By Voyage to Amsterdam, paid J. Adams, for insuring 100 Bags of Pepper - - - -	8	7	0	4½
27	4	By Ship James, paid John Jones in full for Beef and Pork - -	6	109	10	6
30	4	By House Expenses, paid Sundry Charges this month - -	7	39	16	10
	R.	By Balance remaining in hand, carried to the next month - -	—	6481	9	7¼
				7498	15	7¼

In transferring the entries of this book into the Ledger, the sum of each month only is entered at the end of the month. The sum of the Dr. side in the Cash Book is entered on the Dr. side in the Ledger, 'To sundries received this month;' and the sum on the Cr. side of the Cash Book is entered on the Cr. side of the Ledger, 'By sundries paid this month.' This abridgment, however, only affects the *Cash Account* in the Ledger; for every particular sum paid or received during the month must be entered to its corresponding account in the Ledger. Thus, after entering the sums of the month of March on the Dr. and Cr. sides respectively, as above directed, I must turn to the account of Sir Robert Johnson, Cr. side, and enter, 'By Cash £30.' Then to the account of Ship James, Cr. side, and enter, 'By Cash £125.' Having thus entered all the sums on the Dr. side, I must do precisely the same with the sums on the Cr. side. I must turn to the account of Ship James, Dr. side, and enter, 'To Cash £75.' Then to the account of James Allen, Dr. side, and enter, 'To Cash £1425,' and thus with all the other entries.

In the foregoing example of a Cash Book, the Cash is balanced every month, and the balance on hand carried to the following month. In entering the sums, therefore, in the Ledger, care must be taken to subtract these balances before making the entry. Thus the entry in the Dr. side of the Cash Account in the Ledger for March, is not £8708 4s. 2½d., but only £609 0s. 0d. For April, it is not £7498 15s. 2¾d., but, deducting the balance, it is only £509 7s. 0d. So the Cr. side entries are transferred before the two sides are compared, and the balance entered.

BOOK OF CHARGES ON MERCHANDISE.

This is a subsidiary book, in all respects like the book of House Expenses, and is treated in the same manner.

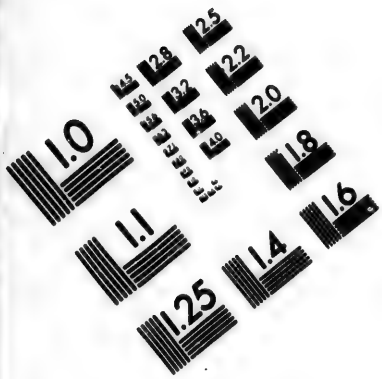
INVOICE BOOK, OUTWARD AND INWARD.

The Invoice Book Outward is used chiefly by factors or agents, and contains copies of Invoices of goods sent abroad.

The Invoice Book Inward contains the Invoices of all goods received. This book is usually a common paper book, in which is pasted the original Invoices, with the charges added to them. Many Book-keepers enter into the Journal from these books; other Book-keepers prefer copying the Invoices into an Invoice book.

THE SALES BOOKS.

In extensive retail trades, the Sales' book serves a purpose analogous to that of the Cash book. It keeps the details of sales which are entered in the Ledger in sums at stated times, as once a week, or once a month. It is a book indispensable to factors or agents. It was formerly explained, that in accounts of goods received on consignment, the value of the goods is not entered,



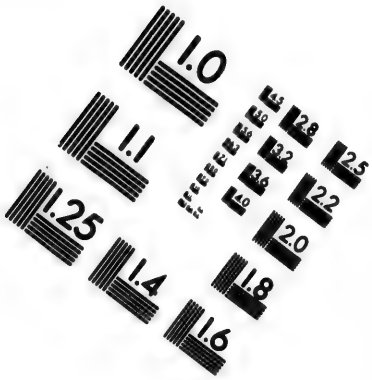
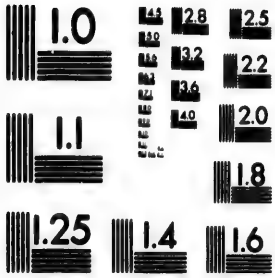
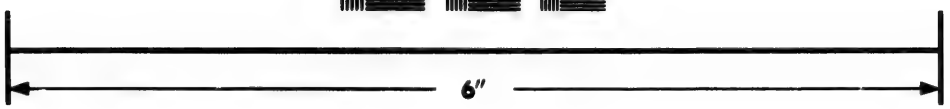


IMAGE EVALUATION TEST TARGET (MT-3)





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but merely the expenses on them, the receipts for them, and the returns made to the consigner. But the accounts of the quantity, and the sales of the goods for each consignment, are kept in the *Sales Book*, and it is from this book that the consigner is furnished with an account of the goods with which he has intrusted his agent.

BOOKS OF BILLS RECEIVABLE AND BILLS PAYABLE.

These books contain, in columns, an account of every Bill received or paid away, stating the date, the drawer, the acceptor, the sum, the time due, &c.

THE LETTER BOOK.

This book contains copies of all letters sent out. These copies are now very generally taken by a copying machine. Letters inward should be kept and arranged alphabetically, by the names of the writers, so that is less necessary to keep copies of them.

POCKET BOOK.

When a Merchant transacts business from home, or when he attends markets, fairs, &c., he should keep a Pocket-book, in which to mark down every transaction, so that when he returns he may be able accurately to enter his transactions in his principal books.

GENERAL OBSERVATIONS.

The Pupil who has carefully posted and balanced the foregoing sets of Book-keeping transactions, must have learned that the chief skill in this art lies in a judicious selection of accounts; for, after the accounts are determined upon, the posting and balancing of them are mere matters of routine. Every diversity of trade or manufacture will necessarily have some modifications peculiar to itself; but a steady adherence to a few general principles, such as the following, will conduct a Book-keeper through the intricacies of any description of business transactions.

An account must be opened for every species of property or adventure, the gain or loss on which is to be computed separately; such as goods of every kind, ships, houses, voyages, partnerships, in short, every form in which the merchant's property is embarked. When no advantage would be obtained by keeping a separate account of gain or loss, on different kinds of goods, they must be classed under one head, as goods, merchandise, houses, &c. Every such account of property represents myself, or is my own account in regard to such property. Thus when Cash or any kind of goods is maue Dr., it is I who am made Dr. When Cash is made Cr., it is I who am made Cr.

An account must be opened with every person or company with whom I have dealings on credit, on either side, for it is obvious that I cannot have a correct account of the state of my affairs, unless I know what I owe, or what others owe to me.

Every kind of property that comes into my hands,

so as to become my own, must be entered on the Dr. side of the account of that kind of property: and every kind of property that passes out of my hands, so as to cease to be mine, must be entered on the Cr. side of its own account. When property comes into my hands, but not so as to become my own, as when goods are consigned to me, I do not receive them into my Ledger, but keep an account of them in a separate book, merely entering in my Ledger what I pay out or receive on account of them. If such goods become my own, I then open an account for them, or enter them to some account already open. When goods or any species of property goes out from me, still continuing to be mine, as when I send out goods on consignment, I do not enter it to the person's account to whom it is intrusted, but to the voyage, adventure, consignment, &c., to which it may be transferred.

Every description of outlay for which no kind of property is received in return, or of income, for which no kind of property is exchanged, the amount of which, when the books are to be balanced, it is requisite to know, must have an account opened for it, such as interest of money borrowed or lent, discount of bills, rent, wages, house-expenses, gifts, legacies, &c. But if the general account only of such outlays and incomes is required, they may be placed at once to the Dr. or Cr. of the Profit and Loss Account. If any of them be kept separately, the balance must be placed to the Dr. or Cr. of the Profit and Loss Account, as all such accounts of outlays or incomes are merely subdivisions or branches of the Profit and Loss Account.

Every transaction must be entered on two accounts,

the Dr. side of the one, and the Cr. side of the other; and consequently every sum posted in one accouut, must either be entered on the opposite side of another account, or divided among several other accounts. This rule is so absolute and universal, that at any stage of the progress of keeping the books, the sum of all the Cr. sides must be equal to the sum of all the Dr. sides. The ascertaining of this is called a trial balance, which may be made at any time.

Bills are treated like any other property, even Bills Payable; that is, my own engagements to pay money put into the form of a bill, and given out of my hands, are so treated, and accounts are opened for Bills Receivable or Bills Payable, on the same principles on which an account is opened for Cash, or any species of goods.

If a merchant in balancing his books would obtain a just view of the state of his affairs, he must not be satisfied with valuing his goods on hand at the price which they cost him; nor the debts due to him, as if the amount of them were already in his hands in cash, but must make such deductions as the following:

1. For deterioration of goods by being kept, if any. This in any description of fancy goods must be considerable.

2. For the expense of collecting debts.

3. For the interest of money on debts not yet due, including Bills Receivable.

4. For the probable amount of bad debts.

These deductions should be placed on the Dr. side of the Profit and Loss Account, so as to diminish the profits by so much.

ON CLOSING THE DIFFERENT KINDS OF ACCOUNTS.

1. All personal accounts are closed by the Balance Account.

2. All real accounts except the Cash are closed by a double balance.

First, the quantity of any kind of goods remaining on hand, or property remaining in any voyage, adventure, consignment, constitutes the balance of the account opened for that description of property. It is, therefore, entered to the Cr. of the Account, 'By Balance.' Secondly, after this Balance is entered, the difference between the sums of the Dr. and Cr. sides of the account is the gain or loss upon that account, and the account is to be closed by the Profit and Loss Account. The Cash account is closed by the Balance Account, because there is no such difference between the quantity of cash remaining on hand, and the value of it, as there is between the quantity of any other kind of property, and its value in Cash.

All subordinate accounts of loss or gain, such as Interest, Charges, &c., are closed by the Profit and Loss Account, being accounted but branches of that account.

The Profit and Loss Account and the Balance Account are closed by the Stock Account; and when the balance of these two accounts are added to the proper sides of the Stock Account, the two sides of that account will be equal, if the books have been correctly kept.

FARMING ACCOUNTS.

The chief difficulty in reducing the receipts and expenditure occurring in the operations of Farming to system, so that they can be recorded in a set of regular books, is, to contrive accounts that shall sufficiently subdivide the Capital employed in the farm, and the outlay upon it. The following method is suggested in the Farmer's Magazine, published in Edinburgh, for the year 1813:—

"When a Farmer agrees to pay so much per acre or a certain sum altogether for a farm, he is supposed to have valued every field separately, and to have made his offer from the average or sum of the whole. Whenever, therefore, he pays a rent, he is to be considered as laying out on each field a sum equal to the value he originally put on that field. In like manner, when he employs the produce of his live stock in general, or the labour of his working stock in particular, on any field, he expends on that field a sum equal to the value of that produce or labour. For this expenditure he looks to his farm alone for remuneration. The different parts, therefore, of which a system of Farmers' Accounts consists, are Cash, Working Stock,* Feeding Stock, and the several fields of his farm; which last may be designated by particular names, or by the numbers 1,

* The word *Stock* has been generally appropriated in farming language, to the animals employed or fed upon the farm. A *Stock* farm signifies, in some districts at least, a cattle or grazing farm; as distinguished from a farm which is cultivated. This circumstance renders the title Stock for the account of Capital, as in the former sets unsuitable. The title Capital is, therefore, substituted for Stock, the account of Capital being the same with the Stock Account in the former sets.

2, 3, &c. From these particulars, the following scheme has been compiled."

The Day Book opens with an inventory of the Farmer's capital at Whitsunday, immediately after paying the rent for the preceding crop, a period which, for several reasons, appears to be the best commencement of the Farmer's year. To the inventory is annexed the state of his debts, and then follows an account of all the sums that have been expended, and a plain narration of all the operations that have been carried on in each field. This narrative may be entered daily, weekly, or monthly, or at any period that may be found most convenient; taking care that a particular account be kept, either by the foreman or some other person, of all the operations during the time that elapses between the entries. In the annexed system, the entry is supposed to be made every four months, merely for the purpose of condensing the subject into a smaller compass. The dung of the live stock in general, is expressed in loads, and the labor of the working stock is converted into yokings — a yoking being understood to signify the labour of one man and a pair of horses for 4½ hours. The loads and yokings are entered in columns allotted for them; but the money columns opposite are left blank; the value of the yokings not being fixed till the end of the year. The fodder given to live stock is estimated by acres; reckoning, in this scheme, five acres of straw equal to one acre of full hay or turnip crop.

The transactions recorded in the Day Book are to be journalized as in the former sets, or they may be transferred at once to the Ledger, without a Journal intervening. In transferring the inventory to the Ledger,

an Account is opened in the Ledger for Capital; the title Capital standing in place of the title Stock in the former sets, making it debtor to A. B. for the sum due him, and creditor by Sundries, viz., Cash, Working Stock, and Feeding Stock; also, an Account for each of these articles, making them Dr. to Capital for their respective amounts; and, lastly, an Account of A. B., making him Cr. for the sum due to him.

The first transaction in the Day Book, after the Inventory, is in field No. 1. "Paid cutting 15 acres wheat, £8 11." An Account is, therefore, opened for No. 1, which is made Dr. to Cash for £8 11s., and Cash Cr. by No. 1, for the sum of £8 11s. The next, also, is No. 1, work of men and horses, 23 yokings; leaving the money columns blank, and Working Stock Cr. by No. 1, for 23 yokings.

When all the transactions for a year have been thus transferred from the Day Book to the Ledger, and the Accounts to be opened anew for the next year, all the old Accounts must be balanced. This operation commences with the Cash Account, which is to be balanced as in the former sets. The next Account to be balanced is feeding Stock. The produce of this Stock is its dung, and its increased value by feeding. It is of no moment at what price the dung be valued; because, being laid upon the land, if it be valued high, the expense of cultivating the land will be proportionably raised, and if it be valued low, the cultivating of the land will be proportionably lowered, and these, as will appear immediately, will balance one another. Value, then, the dung at 5s. per load, and enter the amount in the money column. The cattle belonging to this Stock

are then to be valued at their selling price, precisely as in the Goods' Accounts in the former sets, and the value entered on the Cr. side 'By Balance.' In this case the cattle are valued at £174 15s. The Dr. side of this Account consists of the original value of the cattle, the expenses incurred by them, and the value of the produce of the different fields consumed by them. The quantity of produce consumed by the cattle had previously been entered, but not valued. Now the value of this produce may be found in this way:—This produce not having been sold, but consumed upon your own cattle, these cattle will appear either to have yielded profit or not, according to the value put upon the food consumed by them. It will be better, therefore, on this account, to let the value of the food consumed, and the increased value of the Stock produced by it, exactly balance one another, so as to show no profit or loss on either side. This will be effected by ascertaining the difference between the two sides of the account, and then dividing that difference by the number of acres of produce used, which will furnish a standard for valuing the produce of the whole farm. The difference in this case is £177 15s., which, divided by 19¾ acres, makes the value of the acre of produce £9. Estimate now, at that price, the acres of produce formerly entered, and enter the value in the money column, and the two sides of the Account will be equal.

Proceed now to the Account of Working Stock. Estimate the acres of produce consumed by this Stock at £9, because it has been found that it would have yielded that value in feeding cattle, as Feeding Stock The present value of this kind of Stock on hand must

now be found and entered on the Cr. side, 'By Balance.' In the present case, the value is fixed at £447 1s. But this Stock has yielded manure, already entered in loads, and manure has also been valued at 5s. per load. Calculate, therefore, the value of the loads at this price, and enter it in the money column. This Stock has also yielded labour on the different fields of the farm. This may be found on the same principle on which the value of the acres of fodder was found, namely, by finding the difference between the two sides of this Account, and dividing it by the number of yokings; that is, in this case, £393 18s., the difference divided by 1212, the number of yokings. The price will thus be found to be 6s. 6d., at which rate the yokings in the other Accounts are to be valued. Calculate the yokings in the different entries in this Account at this price; enter the amount in the money columns; after which the two sides of the Account will be found to be equal.

The Working and Feeding Stock Accounts being thus closed, Nos. 1, 2, 3, &c., are to be made Cr. 'By Balance,' for whatever quantity of their respective produce may remain on hand, estimated at market price.

Returning again to No. 1, the amount of the Cr. side, or total produce, is found to be £641, while the Dr. side or expenses, is only 196 1s. 7½d., leaving a profit of £444 18s. 4½d., which is, therefore, as in the former sets, entered on the Dr. side of the Account, 'To Profit and Loss.' An Account is then opened for Profit and Loss, and this sum carried to the Cr. side of it, 'By No. 1.'

In No. 2, the expense is found to be £490 16s. 8d., while the return is nothing. This sum, therefore, must

be entered on the Cr. side, 'By Profit and Loss,' and carried to the Dr. side of that Account. All the other Accounts being closed in the same way, it is obvious that the Dr. side of the Profit and Loss Account will contain all the losses, and the Cr. side all the gains; the difference in the following scheme is £78 16s. 8½d. profit, and must be carried to the credit side or Capital, as the increase it has received during the year. A Balance Account is then to be opened, the balance of the different Accounts collected in it, and the Capital Account closed as in former sets.

It is, perhaps, unnecessary to observe, that the sums stated against Household Expenses are, in reality the produce of the farm, for which the household has made no return. They are, therefore, to be considered as part of the profit, which thus amounts to £166 16s. 8½d. Had the Capital embarked in the concern (£1,093 19s. 6d.) been laid out at interest, at five per cent., it would have yielded, after deducting income tax, £48 4s. 6d., leaving a clear profit of £118 12s. 2½d., for risk and personal trouble in farming.

It is unnecessary to say any thing farther with regard to the inner columns made use of in the following specimen: every farmer may adopt or reject them, or employ more or fewer, according to his own views of the subject, or according to the particulars he wishes to record. In our first sketch, we had introduced several others, but on second thoughts laid them aside.

WASTE BOOK.

Bank Head Farm Crop, 1832.

Fields.	*Contents.* Acres.	*Crop.*	*Rent.* £	s.	d.
No. 1.	— 20	Wheat and Potato Oats	60	0	0
2.	— 22	Fallow - - - -	55	0	0
3.	— 19	Oats and Grass - - -	47	10	0
4.	— 14	Grass - - - -	31	10	0
5.	— 16	Barley and Oats - -	40	0	0
6.	— 15	Turnip, Potatoes, and Peas	30	0	0
7.	— 14	Pasture - - - -	16	0	0
	120		£280	0	0

Farm of Bank Head, from Whitsunday, 1832, *to Whitsunday*, 1833.

Inventory from 16th May, 1832.				£	s	d.
Cash on hand - - - - -				453	4	6
Working Stock, viz.—						
3 pair of horses, at £72		£216	0 0			
1 Saddle do. " 40 -		40	0 0			
4 Carts " 11 -		44	0 0			
5 Ploughs " 3 8s.		17	0 0			
Harrows and Roller -		5	0 0			
Harness - - -		50	0 0			
Other Implements - -		10	0 0			
4 Horse Threshing Machine and Frames - - -		65	0 0			
100 Sacks - - -		25	0 0			
				472	0	0
Feeding Stock, viz.—						
6 Cows at £7 - -		42	0 0			
2 Calves at £1 10s. -		3	0 0			
5 do. one year old, at £3		15	0 0			
7 do. two year old, at £5 5s.		36	15 0			
8 do. three year old, at £9		72	0 0			
				168	15	0
				1093	19	6
I owe A. B. borrowed from him on 15th				100	0	0

Waste Book.

		load.	*yoks*	£	*s.*	*d.*
	Operations from 16th May, 1832. to 19th Sept., 1832.					
No. 1.	Paid cutting 15 acres Wheat	-	-	8	11	0
	Work of men and horses, carting, Threshing, &c. - -	-	23			
No. 2.	Paid for draining - -	-	-	12	16	8
	Laid on dung from Working Stock - - - -	70				
No. 3.	——————from Feeding Stock	10				
	Work of men and horses ploughing, carting dung, &c.	-	420			
No. 4.	Paid cutting and making 10 acres Hay - - - -	-	-	3	2	0
	Work of men and horses carting Grass and Hay - -	-	20			
No. 5.	Paid Grass seeds - -	-	-	15	7	6
No. 6.	Paid Turnip seed, Labourers, &c.	-	-	4	3	6
	Laid on dung of Working Stock	17				
	—————————— Feeding Stock	53				
	Work of men and horses -	-	50			
	From 19th Sept., 1832, to 30th Jan., 1833.					
Fed. S.	Sold 4 oxen, 3 year old, at £13 10s. £54 0 0					
	Sold 3 young cows, at £14 - - £42 0 0					
		—	—	96	0	0
	Bought 3 ditto, 2 year old, at £6 £18 0 0					
	Paid Dairy-maid 1 year's wages to Martinmas - 4 10 0					
		—	—	22	10	0
Wk. S.	Paid men-servants' and boys' wages to Martinmas -	-		53	1	0
No. 1.	Paid cutting 135 threaves of Oats, at 3½d. - £1 19 4½					
	Expenses delivering Wheat - 0 15 9					
		—	—	2	15	1½
	Work of men and horses ploughing for peas, &c. - -	-	117			
	Sold 60 boles of Wheat, at £2 14s.		-	162	0	0
	Sowed 18 boles in No. 2, at £3	-	-	54	0	0

Waste Book.

		load.	yoke.	£	s.	d.
	Reckon the Straw of 15 acres, equal to full crop of 3 -					
	Laid up litter for Working Stock, equal to 2 full acres -					
	———for Feeding Stock, equal to 1 acre - - -					
No. 2.	Paid Lime, 600 boles, at 5s.		-	150	0	0
	Work of men and horses sowing Wheat &c. - - -	-	30			
No. 3.	Paid cutting 495 threaves of Oats, at 4d. - £8 5 0					
	Paid Labourers - 1 15 0					
		——	——	10	0	0
	Drove Dung of working Stock for Fallow - - -	17				
	——————— Feeding ditto	53				
	Work of men and horses ploughing, carting, &c. - -	-	132			
	Sold Oats, 10 boles, at 30s.	-		15	0	0
	Servants, for meal, 20 boles, at 30s. £30 0 0					
	Given to horses, 72½ at 30s. - - 108 15 0					
		——	——	138	15	0
	Taken for household, 15 at 30s.			22	10	0
	Straw given to Feeding Stock, equal to 4 acres - -					
No. 4.	Hay and Grass given to Working Stock, 12½ acres - -					
	Second cutting of 10 acres, Feeding Stock 1½ acres - -					
No. 5.	Paid Labourers and expense delivering Barley - - £2 4 6					
	Cutting 230 threaves b. at 4½ - 4 6 3					
	Cutting 162 threaves Oats, at 4d. - 2 14 0					
		——	——	9	4	9
	Work of men&horses threshing,&c	-	38			
	Sold Barley, 44 boles, at 41s.	-	-	90	4	0
	Used for household, 2, at 41s.	-	-	4	2	0
	Straw given to Feeding Stock, equal to 2 acres - -					
	From 19th Sept., 1832, to 30th Jan. 1833, continued.					
No. 6.	Paid reaping Peas - - -	-	-	2	5	9

Waste Book.

		load.	yoks	£	s.	d.
	Work, by men and horses about peas, turnips, &c. - -	-	43			
	Peas-straw, given to horses, equal to - - 1 acre					
	Potatoes for ditto - 1½ do					
	2½ acres					
	Potatoes for household 2½ acres					
	Potatoes for seed in No. 3. - - - 0½ do					
	2½ acres					
	Turnips given to Feeding Stock - - - 6 acres					
No. 7,	Pastured by Feeding Stock, equal to - 3½ do.					
	9½ acres					
	From 30th January to 10th May, 1833.					
House.	Paid Personal and household Expenses - - -	-	-	41	3	0
No. 1, 2, 3, 4, 5, 6, & 7.	Paid Rent for Crop, 1832 - - £280 0 0					
	Paid Income tax on do. at 5 per Cent. 14 0 0					
		-	-	294	0	0
Wk. S.	Paid assessed taxes £9 10 0					
	Paid Smith's account - - 15 10 0					
	Paid Carpenter's do. 8 5 0					
	Paid Saddler's do - 5 6 0					
		-	-	38	11	0
No. 1.	Sowed 25 boles of Peas, from No. 6, at 41s. - - -	-	-	51	5	0
	Work by men and horses -	-	77			
	Sold 22½ boles Oats, at 40s.	-	-	45	0	0
	Sowed 16 ditto, in No. 4, at 40s. - - - - -	-	-	32	0	0
	Straw given to Feeding Stock, equal to 1 acre - -					

Waste Book.

		load.	yoke.	£	s.	d.
No. 3.	Applied dung from Working Stock - - -	14				
	——— from Feeding Stock	42				
	Work by men and horses -	-	70			
No. 4.	Ditto ditto -	-	58			
No. 5.	Ditto ditto -	-	4			
	Sowed 12 boles of Barley in No. 6, at 42s. - -	-	-	25	4	0
	Gave Straw to Working Stock, equal to ¼ an acre -					
	——— Feeding Stock, equal to ¾ of an acre -					
No. 6.	Applied dung from Working Stock - - -	15				
	——— from Feeding Stock,	35				
	Work of men and horses -	-	63			
	Peas given to horses, 7 boles, at 41s. - - - -	-	-	14	7	0
No. 7.	Bought Oats, for seed, 15 boles, at 31s. - - - -	-	-	23	5	0
	Work of men and horses -	-	67			

In the Balance Account, the main object of which is, to afford the means of checking the Ledger, and detecting errors, all the different articles of Capital are collected previous to their being carried to Capital or a new Inventory. If the concern is still to go on, the Inventory for next year would proceed thus:

Inventory taken 10th May, 1833.

Cash on hand - - - -	£170	12	2½
Working Stock, viz.—			
3 pair of horses, &c. &c. -	447	1	0
Feeding Stock, viz.—			
6 Cows, &c. &c. - -	174	15	0
No. 1, Wheat in hand - - -	312	0	0
No. 5, Oats in hand - - -	68	8	0
	£1172	16	2½
I owe A. B. borrowed of him, interest paid - - - -	100	0	0

A SYNOPSIS OR COMPENDIUM

OF

MERCHANTS' ACCOUNTS.

Containing Particular Rules for the true Stating of Debtor and Creditor, in all Cases that can happen in the whole course of a Merchant's Dealing.

The Accounts of Merchants are of three sorts, viz. :—

I. PROPER; wherein the Merchant trades by and for himself; which is either Domestic, *i. e.* Inland and at home; or Foreign, *i. e.* Abroad.

II. FACTORAGE; wherein the Merchant acts as Factor in Commission, for one that employs him; and this, also, in either Domestic or Foreign.

III. IN COMPANY; wherein two or more Merchants join together in trade, and have each a share of the gain, or bear a share of the loss, in proportion to his share in the Stock; as is taught in the rules of Fellowship.

I. OF PROPER ACCOUNTS.

I. DOMESTIC.

In Receiving and Paying Money.

Case 1. When an inventory is taken of the Ready Money Goods, Voyages, and Debts, belonging or owing to me;

Rule. Dr. those several parcels and parties, Cr. Stock or Principal.

Case 2. When an Inventory is taken of the Debts owing by me;

Rule. Dr. Stock or Capital, Cr. the several parties to whom the same are due.

Case 3. When money is received of one man for the use of another, or for his own use;

Rule. Dr. Cash, Cr. the person for whose use it is received. The same when money is received for Goods formerly sold.

Case 4. When money is paid to one man for the use of another, or for his own use;

Rule. Dr. the person for whose use it is paid, Cr. Cash. The same when money is paid for Goods formerly bought.

Case 5. When money is lent;

Rule. Dr. the borrower for the principal, Cr. Cash.

Case 6. When money is borrowed;

Rule. Dr. Cash, Cr. the lender for the principal.

Case 7. When interest is received for money lent;

Rule. Dr. Cash, Cr. Profit and Loss.

Case 8. When Interest is become due to me, and booked before received;

Rule. Dr. the person who owes it, Cr. Profit and Loss.

Case 9. When Interest is paid for money borrowed;

Rule. Dr. Profit and Loss, Cr. Cash.

Case 10. When interest is become due from me to another, and booked before paid;

Rule. Dr. Profit and Loss, Cr. the person to whom it is due.

Case 11. When Charges are paid on Goods in my own possession;

Rule. Dr. those Goods, Cr. Cash.

Case 12. When Charges are paid on petty disbursements in Trade;

Rule. Dr. Charges of Merchandise, Cr. Cash.

Case 13. When Charges are paid on House-keeping, and all expenses thereunto belonging;

Rule. Dr. Profit and Loss or House-Expenses, Cr. Cash.

Case 14. When India Stock, Bank Stock, South Sea Stock, or Annuity is bought;

Rule; Dr. such Stock or Annuity, Cr. Cash. The same

if there be a call of £5, &c. per cent. upon my share in any capital Stock.

Case 15. When Interest is become due to me on such Stock or Annuity, and booked before received;

Rule. Dr. the Stock or Annuity, Cr. Profit and Loss.

Case 16. When India Stock, Bank Stock, South Sea Stock, or Annuity is sold;

Rule. Dr. Cash, Cr. such Stock or Annuity.

Case 17. When my Debtor compounds with me, and I receive part of the debt for the whole;

Rule. Cr. the person who compounds for the whole debt, by Cash for what I receive, and by Profit and Loss for what I lose.

Case 18. When I compound with my Creditor, and pay him part of the debt for the whole;

Rule. Dr. the person who receives, To Cash for what I pay, and to Profit and Loss for what is abated.

Case 19. When a Legacy is bequeathed to me;

Rule. Dr. the Executor, Cr. Profit and Loss.

Case 20. When a Legacy is received;

Rule. Dr. Cash, Cr. the Executor. If received before entered, Dr. Cash, Cr. Profit and Loss.

Case 21. When I receive a Legacy for the use of another, myself being the Executor;

Rule. Dr. Cash, Cr. the Legatee.

Case 22. When I pay a Legacy for the use of another, myself being Executor;

Rule. Dr. the Legatee, Cr. Cash.

Case 23. When I receive money by Assignment;

Rule. Dr. Cash, Cr. the Assigner.

Case 24. When I give an Assignment, or Order, or Bill, on my Debtor to my Creditor;

Rule. Dr. my Creditor, Cr. my Debtor.

Case 25. When I pay money to another by the Assignment or order of my Creditor;

Rule. Dr. my Creditor, Cr. Cash.

Case 26. When I receive a Promissory Note in payment, and book it;

Rule. Dr. Bills Receivable, Cr. the person of whom you receive it in payment.

Case 27. When I deliver the said note in payment afterward;

Rule. Dr. the person who receives it, Cr. Bills Receivable.

Case 28. When I pay charges on House-keeping, and all the expenses thereunto belonging;

Rule. Dr. Profit and Loss, Cr. Cash.

In Buying and Selling Goods.

Case 29. When I buy goods for present money;

Rule. Dr. the Goods bought, Cr. Cash.

Case 30. When I buy goods on trust;

Rule. Dr. the Goods, Cr. the Seller. The same when payment are made by me, at several times only mentioning in the Journal the several times of payment. The same also when goods are taken in lieu of a debt, either in part or in the whole.

Case 31. When I require an abatement on goods bought on trust, after they are booked, on account of defect.

Rule. Dr. the Seller for the abatement, Cr. the Goods bought. If the account of Goods be closed, Dr. Seller, Cr. Profit and Loss.

Case 32. When I buy goods for part ready money, and part trust;

Rule. Dr. the Goods, Cr. the Seller for the whole. Then Dr. the Seller for what I pay, Cr. Cash for the same sum. Or, Dr. the Goods to cash for what I pay, and to the seller for what remains unpaid.

Case 33. When I buy goods for part ready money, part trust, and part bills;

Rule. Dr. the Goods to cash for what I pay, to bills receivable, and to the seller for the rest.

Case 24. When I sell goods for present money;

Rule. Dr. Cash to the goods.

Case 35. When I sell goods on trust;

Rule. Dr. the Buyer to the goods. The same when paymens are made to me, at several times, only mentioning in the Journal, the several times of payment. The same also when goods are sold in lieu of a debt, either in part or in the whole.

Case 36. When I make an abatement on goods sold on trust, after they are booked, on the account of defect;

Rule. Dr. the Goods for the abatement to the buyer. If the accounts of Goods be closed, Dr. Profit and Loss to the buyer.

Case 37. When I sell goods for part ready money, and part on credit;

Rule. Dr. the buyer for the whole of the goods. Then Dr. Cash for what I receive to the buyer. Or, Dr. Sundries to the goods, cash for the money received, the buyer for what remains unpaid.

Case 38. When I sell goods for part ready money, part trust, and part bills receivable;

Rule. Cr. the Goods by cash for what is received, by bills receivable, and by the buyer for the rest.

Case 39. When I buy several sorts of goods for ready money;

Rule. Dr. each of them for its respective value to Cash.

Case 40. When I buy several sorts of goods upon trust;

Rule. Dr. each of them for its respective value, Cr. the Seller for the whole.

Case 41. When I sell several sorts of goods for ready money;

Rule. Dr. Cash to sundries for the whole value, Cr. each sort for its respective sum.

Case 42. When I sell several sorts of goods on trust;

Rule. Dr. the Buyer to Sundries for the whole value, Cr. each sort for its respective sum.

Case 43. When I want rebate to be made on the present payment of money, for goods bought upon credit;

Rule. Dr. the Seller to sundries for the whole sum, Cr. Cash for the sum paid, Cr. profit and Loss for the rebate.

Note—This is supposed to happen a day or two after the goods are bought and booked.

Case 44. When I make rebate on the present receiving of money for goods sold upon trust;

Rule. Dr. Cash for the sum received, Dr. Profit and Loss for the sum rebated, Cr. the Buyer by sundries for the whole sum.

Note—This is supposed to happen a day or two after the goods are sold and booked.

Case 45. When I buy goods of a debtor, for a debt due to me, their value amounting to more than the debt, and the overplus is paid back in money presently;

Rule. Dr. the Goods to sundries for the whole sum, Cr. the Seller for so much as his debt was, Cr. Cash for the overplus.

Note—If several sorts of goods had been bought, and the overplus returned by me, then, first, Dr. each sort for its respective value; Cr. the Seller by sundries for their whole value; secondly, Dr. the Seller for the overplus paid back, Cr. Cash for the same sum.

Case 46. When I sell goods to a creditor, for a debt due to him, their value amounting to more than the debt, and the overplus is returned to me in money presently;

Rule. Dr. the Buyer for so much as was owing to him, Dr. Cash for the overplus received, Cr. the Goods sold by sundries for the whole sum.

Note—If several sorts of goods had been sold, and the overplus returned to me, then, first, Dr. the Buyer to sundries for their whole value, Cr. each sort for its respective value; secondly, Dr. Cash for so much as is received, and Cr. the Buyer for the same sum.

Barter.

Case 47. When I give one sort of goods for another sort, of equal value;

Rule. Dr. the Goods received, Cr. the Goods delivered.

Case 48. When I give one sort of goods for another sort, of greater or less value;

Rule. First Dr. the Person who receives my goods, Cr. those Goods. Secondly, Dr. the Goods received by me, Cr. the Person who delivers them.

Case 49. When I give one sort of goods for several other sorts of equal value;

Rule. Dr. each particular sort of Goods received for its respective value, Cr. the Goods delivered by sundries for the whole value.

Case 50. When I give one sort of goods for several other sorts of greater or less value;

Rule. First, Dr. each particular sort of Goods received for its respective value, as above, Cr. the Seller by sundries for the whole. Secondly, Dr. the same person, as buyer, and Cr. the Goods which he has bought.

Case 51. When I give several sorts of goods for one sort of equal value;

Rule. Dr. the Goods received to sundries for their value, Cr. each particular sort of Goods delivered, for its respective value.

Case 52. When I give several sorts of goods for one sort of greater or less value;

Rule. First, Dr. the person to whom the Goods are delivered to Sundries, for their whole value, Cr. those Goods severally for their respective sums. Secondly, Dr. the Goods received, Cr. the Seller.

Case 53. When I give several sorts of goods for several other sorts, either of equal, greater, or less value;

Rule. First, Dr. each particular sort of Goods received for its respective value, Cr. the Seller of them by sundries for the whole value. Secondly, Dr. the same Person, as Buyer of the goods delivered to him, to sundries for the whole value of them, Cr. each particular sort for its respective value.

Case 54. When I sell goods of one sort part goods of another sort and part ready money;

Rule. Dr. the Goods received for their value, Dr. Cash for the sum received, Cr. the Goods sold by sundries for their value.

Case 55. When I sell goods of one sort, for part goods of another sort, part ready money, and part credit;

Rule. Dr. Sundries, viz., the Goods received for their value, Cash for the sum received, the Seller for the rest, Cr. the Goods sold by sundries for their value.

Case 56. When I sell goods of one sort, for part goods of another sort, part ready money, part trust, and part bills;

Rule. Dr. Sundries, viz., the Goods received for their value, Cash for the sum received, the Seller for what he owes, and Bills Recivable; Cr. the Goods sold by sundries for their value.

Case 57. When I buy goods of one sort, for part goods of another sort, and part ready money;

Rule. Dr. the Goods bought to sundries, Cr. the Goods delivered for their value, Cr. Cash for the money paid.

Case 58. When I buy goods of one sort for part goods of another sort, part ready money, and part credit or trust;

Rule. Dr. the Goods bought to sundries, Cr. the Goods delivered for their value, Cr. Cash for the money paid, and Cr. the Seller for the rest.

Case 59. When I buy goods of one sort, for part goods of another sort, part ready money, part trust, and part bills receivable;

Rule. Dr. the Goods bought to sundries, Cr. the Goods

delivered for their value, Cr. Cash for the money paid, Cr. the Seller for what is due to him, and Cr. Bills Receivable for the amount of the Bill.

Shipping.

Case 60. When I buy a ship for ready money;
Rule. Dr. the Ship, Cr. Cash.

Note—The same for a ship fitted out, in which I have a share.

Case 61. When I buy a ship for part ready money and part trust;

Rule. Dr. the Ship to sundries, Cr. Cash for the money paid, Cr. the Seller for the rest.

Note—This is the same as Case 32, foregoing, which see.

Case 62. When I sell a ship for ready money;
Rule. Dr. Cash, Cr. the Ship.

Case 63. When I sell a ship for part ready money and part trust;

Rule. Dr. Cash for the money received, Dr. the buyer for what remains due, Cr. the Ship by sundries for the whole.

Note—This is the same as Case 37, foregoing, which see.

Freight.

Case 64. When I receive freight;
Rule. Dr. Cash, Cr. the Ship.

Case 65. When I pay freight;
Rule. Dr. the particular Voyage, Cr. Cash.

Legacy.

Case 66. When I receive a legacy in houses, lands, or goods;

Rule. Dr. those Houses, Lands, or Goods, Cr. Profit and Loss.

Bills.

Case 67. When I buy a bill of another for ready money, and receive discount;

Rule. Dr. Bills Receivable, Cr. Cash for the sum paid, Cr. Profit and Loss for the discount.

Case 68. When I sell a Bill for ready money, and give discount;

Rule. Dr. Cash for the sum received, Dr. Profit and Loss for the discount, Cr. Bills Receivable by sundries, for the whole sum.

II. FOREIGN.

Goods.

Case 1. When goods are sent to sea for my own account, which were formerly entered in my books;

Rule. Dr. Voyage to —— consigned to ——, Cr. the Goods.

Case 2. When goods are sent to sea for my own account, which were bought for present money, with all charges paid thereon;

Rule. Dr. Voyage to —— consigned to ——, Cr. Cash.

Case 3. When goods are sent to sea for my own account, which were bought on trust;

Rule. Dr. Voyage to —— consigned to ——, Cr. the Seller.

Case 4. When goods are sent to sea for my factor's account, which were formerly entered in my books;

Rule. Dr. Factor's Account Current, Cr. the Goods.

Case 5. When goods are sent to sea for my factor's account, which were bought for present money, with all charges paid thereon;

Rule. Dr. the Factor's Account, Cr. Cash.

Case 6. When goods are sent to sea for my factor's account, which were bought on trust;

Rule. Dr. Factor's Account Current, Cr. the Seller.

Premium of Insurance.

Case 7. When my goods are insured by another person, and I pay the premium presently;

Rule. Dr. Voyage to —— consigned to ——, Cr. Cash.

Case 8. When my goods are insured by another person, and I do not pay the premium presently;

Rule. Dr. Voyage to —— consigned to ——, Cr. the Insurer.

Case 9. When I pay the premium, upon advice that my goods are safely arrived;

Rule. Dr. the Insurer, Cr. Cash.

Case 10. When the goods of another person are insured by me, and I receive the premium presently;

Rule. Dr. Cash, Cr. Insurance.

Case 11. When the goods of another person are insured by me, and I do not receive the premium presently;

Rule. Dr. the Person whose goods I have insured Cr. Insurance.

Case 12. When I receive the premium afterwards;

Rule. Dr. Cash, Cr. the Payer.

Money.

Case 13. When I receive a premium with advance for the insurance of goods formerly sent to sea; *i. e.* if I receive the premium in dollars, and sell them for more, and receive the sterling immediately;

Rule. Dr. Cash to sundries, Cr. the person who paid the dollars for what he paid them at, Cr. Profit and Loss for the gain in the payment.

Case 14. When I sell them for gain, and receive the sterling some time afterwards;

Rule. Dr. Cash for the gain only, Cr. Profit and Loss for the same sum.

Note—The other part of this cash was entered in my books before.

Case 15. When I sell the aforesaid dollars for more to my creditor;

Rule. Dr. the Receiver to sundries, Cr. Cash for the value of the dollars, as they were at first received, Cr. Profit and Loss for my gain in the payment.

Note—If my creditor had received the said dollars immediately, the Remitter must be made Cr. instead of Cash.

Case 16. When I receive a premium with loss, for the insurance of goods formerly sent to sea; *i. e.* if I receive the premium in dollars, and sell them for less, and receive the sterling immediately;

Rule. Dr. Cash for what I sold them at, Dr. Profit and Loss for the loss, Cr. the Payer by sundries for what I at first received them at.

Case 17. When I sell them for loss, and receive the sterling some time afterwards;

Rule. Dr. Profit and Loss for the loss only, Cr. Cash for the same sum.

Note—The value of the dollars which I received them at was entered in my books before.

Case 18. When I sell the aforesaid dollars for loss to my creditor;

Rule. Dr. the Receiver for what I sold them at, Dr.

Profit and Loss for my loss on the sale, Cr. Cash by sundries, for their first value.

Note—If my creditors have received the said dollars immediately, the Remitter must be made Cr. instead of Cash.

The Whole Cost of Insurance.

Case 19. When goods of my own, that were insured, are cast away at sea;
Rule. Dr. the Insurer, Cr. Voyage to ——.

Case 20. When goods of my own, that were not insured, are cast away at Sea;
Rule. Dr. Profit and Loss, Cr. Voyage to ——.

Case 21. When the insurance is paid to me before I enter the circumstances in my books;
Dr. Cash, Cr. Voyage to ——.

Case 22. When the insurance is paid to me after I have entered it;
Rule. Dr. Cash, Cr. the Insurer.

Case 23. When I hear of another man's goods, insured by me, being cast away, and pay the adventurer immediately;
Rule. Dr. Insurance, Cr. the Adventurer.

Case 24. When I hear of another man's goods, insured by me, being cast away, and I do not pay the adventurer immediately;
Rule. Dr. Insurance, Cr. the Adventurer.

Goods wherein my Factor is concerned for Me.

Case 25. When my factor buys goods for my account, or I send goods to him to be disposed of for me;
Rule. Dr. such Goods in the hands of such factor, or else, Voyage to —— for prime cost and charges, Cr. such Factor or Voyage.

Case 26. When those goods are sold;
Rule. Dr. the Factor's Account current, Cr. Voyage to ——, or else, Cr. Goods in the hands of such factor.

Note.—An account current is that by which an agent balances or makes even with an employer.

Case 27. When abatements are made on the above said goods, through defects afterwards found;
Rule. Dr. Profit and Loss, Cr. Factor's Account Current.

Note—The same for bad debts, charges of remittances, &c.

Case 28. When goods of mine, in the hands of one factor, are sent to another factor;

Rule. Dr. Voyage to ——— [the place of the latter or receiving factor,] Cr. the former or sending Factor.

Case 29. When I receive goods in return from my factor;

Rule. Dr. those Goods, Cr. the Factor's Account Current, for prime cost and charges, as per invoice, by double columns, viz., for the foreign money and the sterling.

Case 30. When I pay charges on the above goods;

Rule. Dr. those Goods, Cr. Cash.

Money between Me and my Factor.

Case 31. When I draw bills of exchange upon my factor, and receive the contents presently;

Rule. Dr. Cash, Cr. the Factor's Account Current.

Case 32. When I draw bills of exchange upon my factor, and get them accepted, but not received;

Rule. Dr. Bills Receivable, Cr. the Factor's Account Current.

Case 33. When the contents of such accepted bills are received by me some time afterwards;

Rule. Dr. Cash, Cr. Bills Receivable.

Case 34. When my factor draws bills of exchange upon me, for goods bought by him abroad, and I pay the contents presently;

Rule. Dr. the Drawer, Cr. Cash.

Case 35. When I accept the bills, as above, but do not pay them presently;

Rule. Dr. the Drawer, Cr. Bills Payable.

Case 36. When I pay those accepted bills afterwards;

Rule. Dr. Bills Payable, Cr. Cash.

Case 37. When I remit money to my factor, for goods by him sent to me.

Rule. Dr. such Factor, Cr. Cash.

Case 38. When bills of exchange are drawn by one of my factors on another;

Rule. Dr. the Factor drawing, Cr. the Factor drawn on; charging and discharging in such coin as the bills were received and paid in.

Case 39. When bills of exchange are drawn by one of my

factors on another, and the money remitted to me, which I receive immediately;

Rule. Dr. Cash, Cr. the Factor drawing.

Case 40. When bills of exchange are drawn by one of my factors on another, I receive the contents at usance;

Rule. Dr. the Acceptor, Cr. Factor drawing.

Case 41. When I have money in my hands to negotiate with, and deliver it for bills of exchange;

Rule. Dr. Account of Exchanges, Cr. Cash.

Case 42. When I dispose of those bills for money;

Rule. Dr. Cash, Cr. Account of Exchanges.

Case 43. When I pay bills of exchange in honour of the drawer or indorser.

Rule. Dr. such Drawer or Indorser to sundries, Cr. Cash for the principal and charges, Cr. Profit and Loss for the commission.

II. OF FACTORAGE ACCOUNTS.

I. DOMESTIC.

Case 1. When I pay charges on goods received on commission;

Dr. Goods for the account of ——, Cr. Cash.

Case 2. When I sell goods on commission for ready money;

Rule. Dr. Cash, Cr. Goods for the account of ——

Case 3. When I sell goods on commission for trust;

Rule. Dr. the Buyer, Cr. Goods for the account of ——

Case 4. When I sell goods on commission, for part ready money, and part trust;

Rule. Dr. the Buyer for what he owes, Dr. Cash for what is received, Cr. Goods for the account of —— by sundries.

Case 5. When I barter goods on commission for other goods;

Rule. Dr. the Goods bought, Cr. Goods for the account of ——.

Case 6. When I send goods of my own to my employer, with the charges paid on shipping them;

Rule. Dr. Goods for the account of —— to sundries, or Dr. my Employer's Account Current to sundries, Cr. the Goods sent out, Cr. Cash for the charges.

Case 7. When I buy goods for ready money, and send

them directly to my employer, with the charges paid on them;

Rule. Dr. my Employer Account Current, Cr. Cash for the principal and charges.

Case 8. When I buy goods upon trust, and send them directly to my employer, with the charges paid on them;

Rule. Dr. Goods for the account of —— to sundries, or Dr. my Employer's Account Current to sundries. Cr. Seller for their value. Cr. Cash for the Charges.

Case 9. When bills are drawn on me by my employer, for goods sold, and are payable at usance;

Rule. Dr. Employer's Account Current, or Goods for the account of ——, Cr. Bills Payable.

Case 10. When I pay the said Bill presently;

Rule. Dr. the Employer's Account current, or Goods for the account of ——, Cr. Cash.

Note.—The same is to be observed when money is remitted by me to my employer, before he draws on me.

Case 11. When goods on commission are all sold, and value handed to the employer, how must the account be closed?

Rule. Dr. those Goods to sundries. Cr. Cash for payment, and also for the further charges on them, as porterage, cartage, &c., Cr. Profit and Loss for commission and warehouse-room.

II. FOREIGN.

Case 1. Goods in my possession sent to my factor, by order of my employer;

Rule. Dr. Voyage to —— consigned to ——, for the account of ——, [my employer] to sundries, Cr. Goods for the account of —— [my employer,] Cr. Cash for the charges.

Case 2. When those goods are insured, and I pay the premium presently;

Rule. Dr. Voyage to ——, consigned to ——, for the account of ——, [my employer,] Cr. Cash.

Case 3. When I do not pay the premium till afterwards;

Rule. Dr. Voyage to ——, (as above,) Cr. the insurer.

Case 4. When I receive advice from my factor, that the goods sent to him for my employer are sold;

Rule. Dr. such Factor for my employer's account, Cr. Voyage to ——, for the account of ——, [my employer.]

Case 5. When my factor informs me that he has made an abatement for defects, &c., found afterwards;

Rule. Voyage to ——, for the account of ——, [my employer,] Cr. such Factor for the account of ——, [my employer.]

Case 6. When goods are returned to me from my factor for goods sold by him for my employer;

Rule. Dr. the Goods received for the account of my employer, Cr. that factor for the account of my employer.

Case 7. When I pay charges thereon;

Rule. Dr. Goods received for the account of my employer, Cr. Cash.

Case 8 When goods returned from my factor are consigned directly from him to my employer,

Rule. Dr. such Employer's Account Current, Cr. Factor for my employer's account.

Case 9. When commission is due to me from my employer, for goods sold by my factor;

Rule. Dr. Voyage to ——, for account of ——, [my employer,] Cr. Profit and Loss.

Case 10. When I make abatements afterward, and for bad debts:

Rule. Dr. Factor's Account Current, Cr. the person to whom the abatement is made, or whose debt is lost.

Case 11. When I pay charges on remittances and postages of letters;

Rule. Dr. Factor's Account Current, Cr. Cash or Charges of merchandize.

Note.—When goods on commission are all sold, the produce clear of all charges is called the net proceeds, for which Dr. Goods for the account of ——, Cr. Factor's Account Current.

III. COMPANY ACCOUNT.

1. *Myself keeping the Account and having the Disposal of the Goods.*

Case 1. When goods in company are bought by me for ready money;

Rule. Dr. those Goods for the cost and charges, (if there be any), Cr. Cash.

Case 2. When goods in company are bought by me on trust;

Rule. Dr. those Goods for the cost and charges, (if there be any,) Cr. the Seller.

Case 3. When goods in company are sold by me for ready money;

Rule. Dr. Cash, Cr. Goods in Company.

Case 4. When goods in company are sold by me on trust;

Rule. Dr. the Buyer, Cr. Goods in company, Cr. his Account Current.

Case 5. When goods in company are sold to myself;

Rule. Dr. those Goods for proper account, Cr. Goods in Company.

Case 6. When goods in company are sold to my partner;

Rule. Dr. his account current, Cr. Goods in Company, Cr. his Account Current.

Case 7. When goods in company are sold by me for part ready money and part trust;

Rule. Cr. Cash for what is received, Dr. the Buyer for what remains due. Cr. Goods in Company by sundries for the full value.

Case 8. When goods of my own are brought into company;

Rule. Dr. Goods in Company, Cr. Goods proper.

Case 9. When the whole is furnished by me;

Rule. Dr. Goods in Company, Cr. the Seller, if bought on trust, Cr. Cash, if bought for present money.

Case 10. When goods of my partner are brought into company;

Rule. Dr. Goods in Company, Cr. Partner's Account.

Case 11. When the whole is furnished by my partner;

Rule. Dr. Goods in Company, Cr. Partner's Account Current for the whole.

Case 12. When goods in company are all sold; if there be gain;

Rule. Dr. the Goods in Company to sundries. Cr. Partner's Account for his share, Cr. Profit and Loss for my share.

Case 13. When goods in company are all sold; if there be loss;

Rule. Dr. Partner's Account for his share of the loss, Dr. Profit and Loss for my share, Cr. the Goods in Company by sundries.

Case 14. When goods in company are sent over sea to be sold, I paying the charges;

Rule. Dr. Voyage to ———, in company to sundries, for the whole charge, Cr. Goods in Company for their value, Cr. Cash for the charges.

Case 15. When I buy goods for company account with ready money, and ship them off, paying the charges of shipping;

Rule. Dr. Voyage in Company for the whole charge, Cr. Cash for the same sum.

Case 16. When I buy goods for company account on trust, and ship them off before they are entered in my Ledger, paying the charges of shipping;

Rule. Dr. Voyage to ——— in company to sundries, for the whole charges, Cr. the Seller for the prime cost, Cr. Cash for the after-charges.

Case 17. When I receive goods from our factor for company account, in return for goods sent and sold, with charges paid by me at the receipt thereof;

Rule. Dr. Goods received in Company to sundries, for their prime cost and charges, Cr. Factor at —— for company account for the cost and charges, as per invoice, Cr. Cash for the charges paid at their receipt.

Case 18. When goods are sent from my factor in one place, to our factor in another;

Rule. Dr. Voyage to ——— consigned to our factor, Cr. my factor at ——— his Account current.

Case 19. When goods are sent by our factor in one place, to my factor in another place, in return for goods sold for company account;

Rule. Dr. Voyage to ——— consigned to ——— my factor at ———, Cr. our Factor at ———.

Case 20. When goods are sold by our factor, as per his advice;

Rule. Dr. Factor at —— his Account Current, Cr. Voyage to —— in Company.

Case 21. When I receive advice that my factor has afterwards made some abatements;

Rule. Dr. Voyage to ——, Cr. Factor at ——, his Account Current.

Case 22. When I receive money of my partner for his share of goods formerly bought;

Rule. Dr. Cash, Cr. Partner's Account Current.

Case 23. When money is remitted to me by our factor for goods sold.

Rule. Dr. Cash, Cr. Factor at —— his Account Current.

Case 24. When money is remitted to me by our factor, for goods sold, but payable at usance;

Rule. Dr. Bills Receivable, Cr. Factor at —— his Account Current.

Case 25. When I pay money on sight of my partner's bill;

Rule. Dr. Partner's Account Current, Cr. Cash.

Case 26. When I give to my creditor a bill on my partner, for his share of the goods in company;

Rule. Dr. the Receiver of the Bill, *i. e.* my Creditor, Cr. Partner's Account Current.

II. My Partner keeping the Account, and having the Disposal of the Goods.

Case 1. When I pay my share in money;

Rule. Dr. the Company, Cr. Cash.

Case 2. When I furnish my share in goods;

Rule. Dr. the Company, Cr. the Goods.

Case 3. When I furnish both my own and my partner's share;

Rule. Dr. the Company for my share, Dr. Partner's Account current for his share, Cr. the Goods by sundries.

Case 4. When my partner furnishes my share as well as his own;

Rule. Dr. the Company, Cr. Partner's Account Current for my share only.

Case 5. When my partner sends me an account of the sale of goods in company;

Rule. Dr. Partner's Account Current, Cr. the Company for my share of the net proceeds.

Case 6. If there be gain on the above sale;

Rule. Dr. the Company, Cr. Profit and Loss.

Case 7. If there be loss;

Rule. Dr. Profit and Loss, Cr. the company.

Case 8. When my partner draws on me for my share of goods in company, and I pay the same presently;

Rule. Dr. Partner's Account Current, Cr. Cash.

Case 9. When my partner draws on me as above, at usance;

Rule. Dr. Partner's Account Current, Cr. Bills Payable.

The General Balance of the whole Ledger, in order to Transfer the same into New Books.

Observ. 1. All accounts are balanced either by balances or by Profit and Loss; except Accounts in Company, which are balanced by the Goods in Partnership for my partner's gain, or to those Goods for his loss thereon.

Observ. 2. When Accounts with persons are made even by receipts or payments, those accounts stand balanced already.

Observ. 3. When accounts remain unfinished:—

Case 1. If it be of money remaining in hand;

Rule. Dr. Account of Balance, Cr. Cash.

Case 2. If it be of persons who are debtors;

Rule. Dr. Account of Balance, Cr. their Accounts.

Case 3. If it be of persons who are creditors;

Rule. Dr. their Accounts, Cr. Balance.

Case 4. If it be of goods which are all sold, and there is gain;

Rule. Dr. those Goods, Cr. Profit and Loss.

Case 5. If it be of goods which are all sold, and there is loss;

Rule. Dr. Profit and Loss, Cr. those Goods.

Case 6. If it be of goods, part sold and part unsold;

Rule. For what is sold Dr. and Cr. as above; for what is unsold, Dr. Balance, Cr. the Goods at prime cost.

Note.—The same when all the goods remain unsold.

Observ. 4. The accounts of Insurance, Charges of Merchandise, Interest, House Expenses, &c., are all balanced by Profit and Loss.

Observ. 5. The accounts of Profit and Loss and Balance, are balanced by Stock, they being made Drs. to or Crs. by Stock, as their particular balances direct.

Observ. 6. The account of Stock is balanced by the several balances of Profit and Loss and Balance being brought thereto.

Observ. 7. The account of Balance in the old books will be the Inventory of the new ones.

THE END.